



edp

Integrated Annual Report 2022

We Choose Earth

This report

EDP – Energias de Portugal, S.A. (“EDP”), has its head office in Lisbon, Avenida 24 de Julho 12 and its shares listed on the Euronext Lisbon stock exchange. The group’s businesses are currently focused on the generation, transmission, distribution and supply of electricity and supply of natural gas. Although complementary, the group also operates in related areas such as engineering, laboratory tests, professional training, energy services and property management.

EDP operates essentially in the European, American and APAC energy sectors.

In 2022, EDP publishes, for the first time, an Integrated Annual Report, which includes, in the same document: its strategy, operational and sustainability performance, financial statements, corporate governance and remunerations report.

The Integrated Annual Report is prepared in accordance with the provisions set out on Portuguese Companies Code and Securities Code and in compliance with the provisions set out on CMVM’s Regulations no. 4/2013 and no. 5/2008, concerning Corporate Governance and Disclosure Requirements of the publicly traded companies and under the terms of the Corporate Governance Code of the Portuguese Corporate Governance Institute, revised in 2020.

Its sustainability performance is prepared in accordance with the standards of the Global Reporting Initiative (GRI Standards) and with the Directive 2014/95/EU of the European Parliament and of the Council of 22nd October 2014, that is, disclosure under article 66–B and approval by the general meeting under article 65, both of the Commercial Companies Code. Additionally, follows other voluntary regulatory reporting frameworks, namely the Task Force on Climate-related Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB) and the Portuguese Securities Market Commission (CMVM).

The financial statements presented in the report are prepared in accordance with the International Financial Reporting Standards (IFRS), adopted in the European Union. Thus, under the combined terms of articles 29.^oG and 29.^oL of the Portuguese Securities Code, the documents included in this Report were prepared in the ESEF Format and in accordance with the specifications provided for by the Commission Delegated Regulation (EU) 2018/815 of 17th December 2018, and in accordance with the subsequent amendments, also taking into

account the guidance provided by the European Securities and Markets Authority (ESMA) through the updated version of the ESEF Reporting Manual.

This report covers the calendar year 2022 and has been structured in five major blocks:

- Part I – Management Report
Includes EDP’s strategy, operational and sustainability performance. The sustainability performance is organized around the strategic axes and the year’s material issues
- Part II – Financial Statements
- Part III – Corporate Governance
- Part IV – Remunerations Report
- Part V – Annexes.

Additionally, EDP publishes a set of reports available at www.edp.com:

- [Annual Report of the General and Supervisory Board](#)
- [Climate Transition Plan](#)
- Sectoral reports, in particular: [Safety and Business Continuity Report](#), [Internal Audit Report](#), [Ethics Ombudsperson’s Report](#), [Human and Labour Rights Report](#), [Biodiversity Report](#), [Circular Economy Report](#), [Social Investment Report](#) and [People Report](#)
- [Report on the implementation of Article 8 of the European Taxonomy Regulation](#)
- Annual and sustainability reports of the companies [EDP España](#), [EDP – Energias do Brasil](#) and [EDP Renováveis](#)
- [Management Approach on Sustainability](#), which endorses the issues set by GRI methodology and explains the relation between organizational processes and material issues for the society.

This Report is a free translation of the Integrated Annual Report originally issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.

This document is an unofficial and unaudited version of the EDP Group’s official accountability document, submitted at the CMVM website on March 13th, 2023. Notwithstanding, it corresponds to a faithful [interactive] copy of the aforementioned financial and non-financial information, which can also be found at EDP Group’s website under name "Integrated Annual Report 2022 – Unofficial Version – Unaudited". In case of discrepancy, the official financial and non-financial information submitted to CMVM on March 13th, 2023 prevails.



Our Purpose

Our energy

Speaks of our stamina, our track record and what drives us to continuously deliver green energy

and heart

Highlights our people and their key role in delivering our commitment to our clients, partners and communities

drive a better

Reflects our ambition and leadership in making change happen

tomorrow

The reason why we work every day

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Part I

Management Report

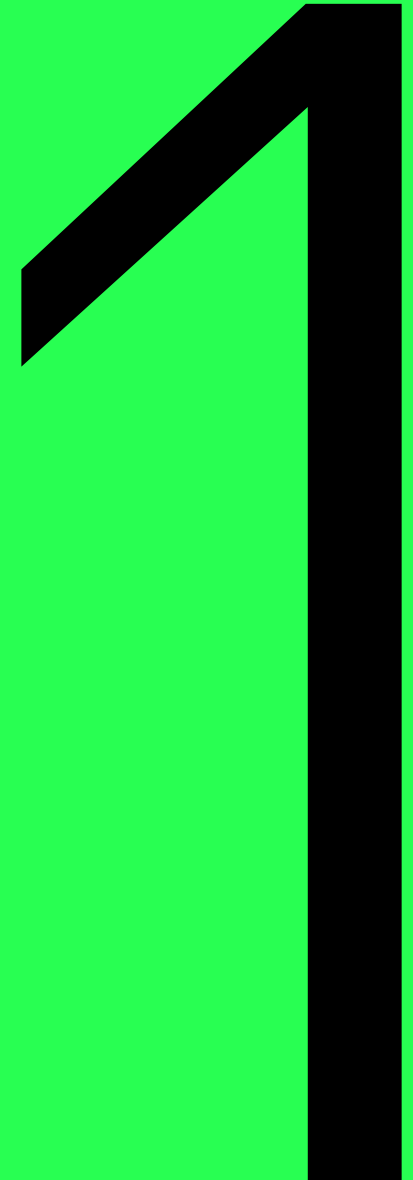


Moray East - Wind Offshore - United Kingdom

Management Report

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Our Company



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Message from the CEO



Miguel Stilwell d'Andrade CEO of EDP and EDP Renewables

Dear Shareholders and Stakeholders,

Rarely has our sector been in the spotlight as much as in the last year. The conflict in Ukraine has shown that our over-reliance on fossil fuels as a society is not only harming the climate, but also compromising energy security and affordability.

Investing in clean energy is critical to achieving environmental goals such as Net Zero by 2050, but also to the long-term sustainability of the energy system. Governments, business and civil society must come together to ensure that there is more investment in renewables, relying on the power of the sun, the wind and water.

In 2022 important steps were taken to achieve this goal. The European Commission increased the headline 2030 target for renewables installed capacity from 40% to 45% and approved important measures towards faster and more comprehensive permitting procedures, reducing European energy dependence and promoting energy efficiency. With this framework in place, it is now crucial that Member States urgently and adequately implement it in their jurisdictions.

In the United States, the Inflation Reduction Act (IRA) represents a huge political accomplishment. By providing a simple, stable and long-term investment framework, it will further accelerate the development of clean energy and support our investment in the region.

At EDP we are leading the needed energy transition across the world with a very clear mission: drive a better tomorrow and create positivity to our stakeholders every step in the way.

Our main achievements in 2022

Renewables generation

In 2022 EDP grew significantly in renewables, adding 2.1 GW of renewables installed capacity and a pipeline of a further 4.0 GW under construction, more than twice the level we had in December 2021. We have now delivered more than 50% of our 20 GW capacity additions target for the 2021–25 business plan period.

Besides concluding the establishment of our renewables growth platform for APAC based out of Singapore, we have acquired a solar developer company based in Germany that allowed us to expand our footprint in Europe to 12 countries, which together cover more than 90% of the expected solar capacity additions in the European Union until 2030.

In Iberia, we commissioned our first hybrid solar and wind energy park in the region and secured a grid connection that will allow EDP to build a 70 MW floating solar project in Alqueva hydro power plant – a project that falls within our more than 500 MW of solar and wind projects under development to hybridize our hydro assets – an innovative and efficient way of combining several renewable energy

sources using the same grid connection point (a scarce resource in many markets).

In the United States, we completed the construction of the largest solar park in Indiana and our first repowering project in Oklahoma, and we started construction on 13 new projects to reach a record of more than 2 GW of new capacity under construction in the country.

In offshore, we are proud to be in the top 5 players world-wide, through the joint venture Ocean Winds 50% held by EDP Renewables, reaching by year-end a portfolio of 16.6 GW through 15 projects across 7 countries worldwide.

We have evolved our presence in storage, starting construction on our first sizeable storage project in the United States. Regarding Hydrogen, we have produced our first hydrogen molecule in a pilot project in Brazil and our three green hydrogen initiatives in thermoelectric plants Aboño, Los Barrios and Soto Ribera in Spain have been selected as key projects to be supported by the European Commission and the Spanish Recovery and Resilience program.

Networks

In 2022 we invested more than 800 million euros in the development and optimization of our distribution networks and in the growth of transmission in Brazil, commissioning several new lots and finalizing the acquisition of EDP Goiás.

We have distributed 85 TWh of energy (+0.5% vs 2021) and delivered an excellent performance in quality of service of our grids, reaching record levels at our Spanish platform and our Brazilian distribution company in Espírito Santo.

By the end of 2022 we have installed 6.4 million smart meters (+740,000 vs 2021), allowing us to have 80% of energy metered (+3.3 pp vs 2021).

Client Solutions

Despite the extraordinary context in the energy sector that brought added complexity to our energy supply activity, we managed to maintain the price stability commitment assumed with our clients in Portugal and sustain a competitive price during the year.

We have scaled our distributed solar generation business, a high growth and attractive energy transition technology, with total gross additions of 1.1 GWac over the past three years, across North America, Europe, Brazil, APAC, including as a result of multi-geography partnerships that secured large distributed solar energy installations across the world.

We have also taken important steps in the democratization of access to decentralized solar generation through our energy communities which have reached more than 30 MWp of contracted capacity this year, enabling more than 35,000 neighbours to benefit from solar energy in self-consumption in Portugal.

Regarding electric mobility, we have delivered our ambition to reach 3,000 contracted public charging points in the Iberian Peninsula. One of our flagship projects was the entry into operation of 50 fast and ultra-fast charging points across 17 locations in Portugal's main motorways, giving faster and modernized solutions to drivers in the country.

Business enablement

Despite the challenging context, in 2022 our workforce grew by 7.4% and EDP employs now more than 13,000 people with 64 nationalities spread all over the world. We continue to evolve as a global organization, supported by a common purpose: our energy and heart drive a better tomorrow.

We have launched a renewed brand identity that represents a more global and inclusive company focused on the future,

sustainability, innovation, social responsibility, and on the ambition to lead the energy transition.

We have continued to invest throughout our 7 innovation domains – renewables, smart networks, distributed solar, hydrogen, mobility, flexibility, storage – to accelerate the delivery of new solutions through 3 key channels – internal incubation, corporate venture capital and partnerships.

Digital and Technology are an important accelerator and enabler of the energy transition. This year we implemented a new strategy focused on 7 critical action drivers – global, digital, cloud, data, cyber, excellence, people – and managed to migrate about 70% of eligible applications to the cloud.

Our commitment to ESG excellence

We have taken important steps to further strengthen our Environmental, Social and Governance (“ESG”) credentials across our company.

Environment

Within the just transition action plan, we made progress in the transformation of our coal sites in Spain and Brazil into Green Hubs alongside 4 business streams: green hydrogen, renewables, storage and flexibility.

We kept our activities rooted in our commitment to the 10 principles of the United Nations Global Compact, notably to build a more sustainable world, aligned with the values of respect for environmental protection. Moreover, EDP became a signatory of the United Nations Sustainable Ocean Principles, recognizing the urgency and global importance of taking measures to promote the sustainability of the oceans for current and future generations.

Social

To address the inequalities of today and anticipate those of tomorrow, we created a central department fully dedicated to social responsibility, which aims to invest more than 300 million euros in social impact projects by 2030, promoting a fair energy transition and access to energy, while fighting energy poverty.

We launched the fourth edition of the A2E (Access to Energy) Fund, supporting nine projects which provide renewable energy to remote and vulnerable communities in Mozambique, Nigeria, Angola and Malawi, with direct impact on priority areas such as health, agriculture, education and access to drinking water.

Governance

We have continued the transition to a business platform management model, streamlining our organizational structure and revamping the internal KPIs to ensure the proper alignment and incentives within the organization. Furthermore, we have improved our decision-making process to promote efficiency, agility and simplicity on an increasingly global company.

As we ensure that we follow corporate governance best practices and deliver the best interests of our stakeholders, we have obtained the highest score at the FTSE Russell’s ESG ratings for good governance practices and for quality of corporate governance.

We progressed with our Health & Safety program (PlayitSafe) that aims to reach zero working accidents. This year the focus was training and education for all EDP leaders, from the Executive Board of Directors to managers across all business units, on the absolute commitment of the company to safety. There is still work to be done on this top priority area for EDP but I was proud to see that the organization recognizes its

importance, with Safety being the dimension with the highest scoring category in our internal climate study of 2022.

ESG recognition

EDP’s sustainability practices have once again been recognized in the S&P Dow Jones Sustainability Index, with EDP keeping its place as number one integrated electric utility, scoring 90 points, well above the sector average of 50 points. CDP Water and Climate Change recognized EDP as one of the world’s leading companies in the fight against climate change for the sixth year. Furthermore, we saw our net-zero science-based target by 2040 approved by SBTi.

The company was also included for the third consecutive year in the Bloomberg Gender-Equality Index, improving its overall score compared to last year, which reflects our commitment to creating a more diverse and inclusive workplace. In this context, we are proud to have launched our DEIB (Diversity, Equity, Inclusion, and Belonging) Global Policy, as well as an updated Gender Equality Plan (2022/2023) and an Equal Pay Project within our global compensation framework. Moreover, EDP was once again recognized by the Top Employer Institute as an employer of first choice.

Finally, EDP is proud to have joined the Executive Committee of the World Business Council for Sustainable Development (WBCSD), the largest international business organization promoting sustainable development.

Our financial performance

Despite 2022 being severely impacted by drought in Iberia and the huge price volatility resulting from the Ukraine conflict, we managed to deliver good results, with a recurrent EBITDA of 4,522 million euros, representing a 21% increase year-on-year, benefiting from a strong performance of renewables, networks and thermal in Iberia.

Recurrent net profit of 871 million euros improved 6% compared to the previous year, driven by EBITDA growth, though penalized by higher financial costs.

We have further strengthened our financial base with 2 billion euros of proceeds mainly related with 7 asset rotation transactions closed during the year, allowing us to crystallize value upfront and redeploy capital into new growth opportunities.

Despite a challenging and volatile debt capital markets environment, we re-opened the senior Eurobonds' market in March 2022 with a 1.25 billion euros issuance and in October 2022 we issued a couple of additional bonds, accessing both the Euro and US dollars markets for 500 million each.

We signed our first sustainability-linked loan, amounting to 3.65 billion euros, linked to two ESG KPIs – reduction of scope 1 and 2 greenhouse gas emissions and increase in the percentage of installed capacity from renewable sources within EDP group. By year-end, green bonds already represented 44% of our financial debt.

EDP maintained its “BBB” long-term corporate credit ratings by Standard & Poor's Global Ratings and Fitch Ratings, with Stable Outlooks, and also maintained its Baa3 rating with Positive Outlook from Moody's.

Looking ahead to 2023

I am immensely grateful to all those who have contributed to EDP's success over the last year.

A special word of thanks goes to my dear colleagues of EDP's Executive Board of Directors for leading by example and to the Chairman and all members of the General and Supervisory Board for their collaboration and advice throughout a very demanding year for EDP.

I also thank our stakeholders, notably our shareholders, customers, suppliers, regulators, partners and local communities, for their trust and support along the way.

Finally, I want to show my deepest gratitude to our 13,000 employees across the world who are the driving force of our company and the main contributors to its success.

EDP is about to start a new chapter, strengthening its commitment to lead the energy transition, through a promising strategic update for the 2023–2026 period.

I look forward to working with all of you to achieve this goal together.

Miguel Stilwell d'Andrade

Our Main Achievements

Jan

- 17 EDP expands its footprint in offshore wind, with OW being awarded exclusive rights to develop 1GW offshore wind project in Scotland
- 20 EDP is distinguished as TOP Employer by the Top Employer Institute
- 26 EDP is distinguished by gender equality policies and integrates Bloomberg Gender–Equality Index

Feb

- 07 EDP Brasil concludes CELG Transmission Business acquisition
- 24 EDP concludes Sunseap acquisition, establishing a growth platform for APAC
- 27 EDP increases its offshore wind footprint, with OW being awarded lease area to develop up to 1.7GW offshore wind project in the US

Apr

- 06 EDP holds its Annual General Shareholders' Meeting and approves the distribution of dividends relating to 2021 financial year
- 22 EDP secures PPA for a 425 MW solar portfolio in the US
- 28 Payment of dividends relating to the 2021 financial year

Aug

- 04 EDP issues its first sustainability-linked loan, amounting to €3.65 Bn

Jul

- 29 EDP enters Germany and Netherlands markets by acquiring solar development platform based in Germany
- 15 EDP's pioneer floating solar power plant in Alqueva is inaugurated

Jun

- 02 EDP launches new identity aligned with its commitment to the energy transition

Oct

- 06 EDP completes the acquisition of a solar development platform in Germany

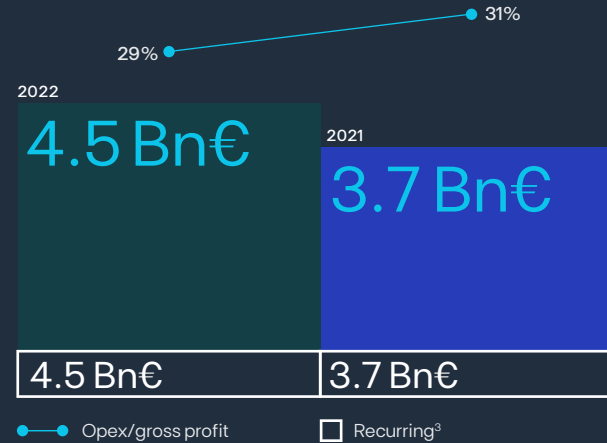
Dec

- 01 EDP was recognised, for the 6th consecutive year, as one of the world's leading companies in the fight against climate changes by the CDP.
- 08 EDP enters the Californian market, with OW being awarded exclusive rights to develop a 2GW offshore wind project in California, US
- EDP completes disposal of Mascarenhas Hydro Plant in Brazil
- 12 EDP recognised as the world's most sustainable integrated electric utility, by the Dow Jones World Sustainability Index
- 16 EDP produces the first green hydrogen molecule in Brazil

Our Key Metrics

Financial Data

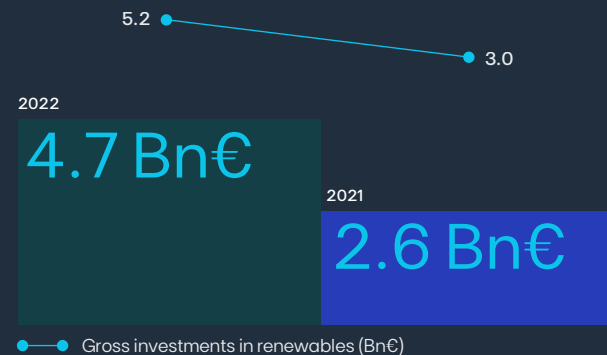
EBITDA



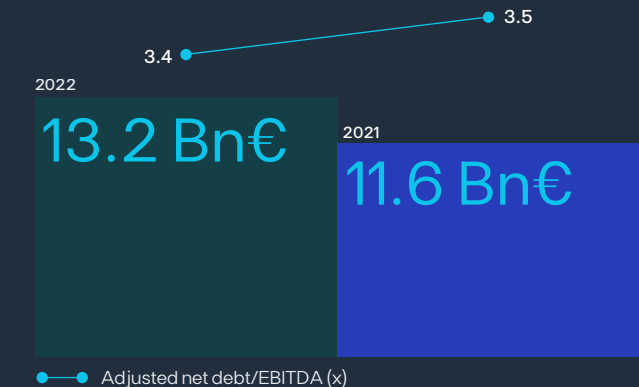
Net Profit¹



Net Investments²



Net Debt



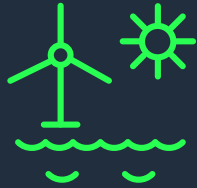
1 – Net profit attributable to EDP equity shareholders.

2 – Considers capex of EDP group, organic financial investment €2,115M (31 Dec 2021: €414M) and asset rotation –€1,967M (31 Dec 2021: –€1,356M).

3 – Non-recurring adjustments in 2021 –€12M including (i) the one-off gain on the sale of our 50% stake in the energy supplier CHC in Spain to our partner CIDE (–€21M), (ii) cost with Sonatrach agreement (€17M) and (iii) HR restructuring costs (€16M); Non-recurring adjustments in 2022: +€1M, including net gain related with portfolio optimization in LatAm (+€4M) and HR restructuring costs (–€3M). 4 – Adjustments and non-recurring items impact at net profit level: In 2022 –€192M, including (i) impairments in thermal assets and other (–€154M) and EDPR (–€41M); and (ii) net gain related to portfolio optimization in LatAm (+€6M) and HR restructuring costs (+€3M). In 2021 –€169M, including (i) impairments, mostly CCGTs in Iberia (–€164M), (ii) acquisition of debt in minority stake in Spain (+€36M); (iii) provision on competition authority penalty (–€33M), (iv) gain from CIDE disposal (+€21M), (v) debt buyback prepayment fees (–€19M), (vi) HR restructuring costs (–€10M).

Operational Data

Renewables



22.2 GW

Installed Capacity Equity + EBITDA
+5% vs 2021

45.2 GWh

Generation Output
-1% vs 2021

4.0 GW

Capacity U/C
+109% vs 2021

Electricity Networks



85.3 TWh

Electricity distributed
+0% vs 2021

381

Distribution operating network ('000 km)
+1% vs 2021

0.4

Transmission under construction network ('000 km)
-72% vs 2021

11,583

Supply Points ('000)
+1% vs 2021

2.2

Transmission operating network ('000 km)
+1249% vs 2021

6,429

Smart Meters ('000)
+13% vs 2021

Client Solutions & Energy Management



5.6 GW

Installed capacity thermal
+11% vs 2021

8,495

Electricity customers ('000)
-2% vs 2021

631

Gas customers ('000)
-8% vs 2021




65.9 TWh

Electricity sales
+10% vs 2021

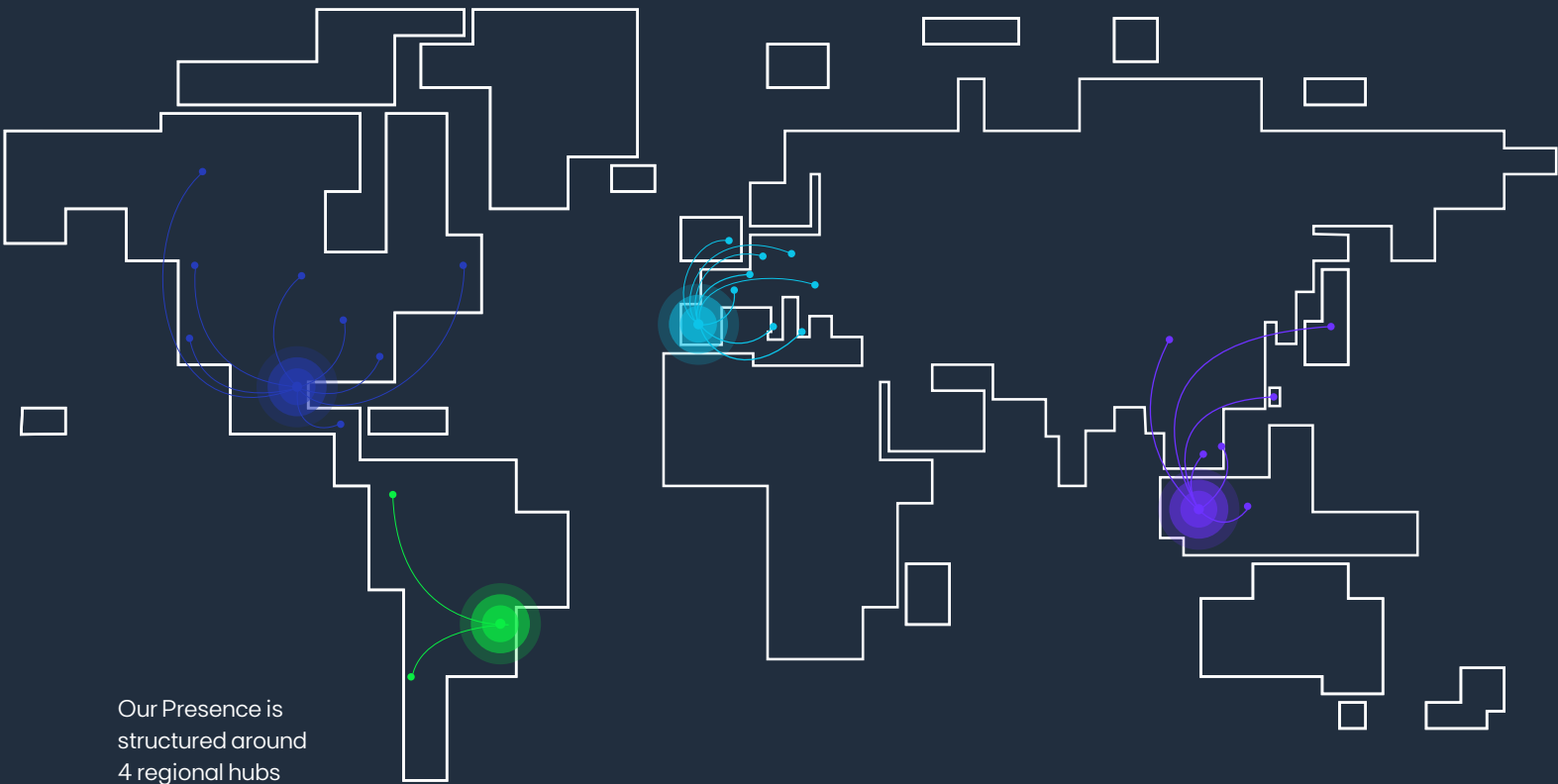
10.4 TWh

Gas supplied
-28% vs 2021

ESG Data

	Indicator	Unit	2022	2021	Δ
 Environmental	Renewables generation	%	74	76	-2 p.p.
	Recovered waste materials	%	95	83	+12 p.p.
	Specific CO ₂ emissions	tCO ₂ /GWh	152	164	-7%
	Assets certified by ISO 14001	%	87	90	-3 p.p.
	Coal installed capacity	GW	2.5	2.0	+25%
	Revenues aligned with EU taxonomy	%	49	63	-14 p.p.
	Investments in environmental matters	€ M	105	88	+19%
 Social	Employee engagement (top tier company)		X	X	
	Employees	#	13,211	12,236	+8%
	Female employees	%	27.5	27.0	+0.5 p.p.
	Total hours of training	H	309,936	337,295	-8%
	Employees with training	%	100	100	0 p.p.
	Accidents at work with employees	#	28	21	+33%
	Accidents at work with suppliers ¹	#	105	132	-20%
 Governance	Female employees in management position	%	28	26	+2 p.p.
	Cybersecurity	(bitsight rating)	810	790	+20
	ESG & equity linked compensation for Top Management		✓	✓	
	Top quartile in ESG rating performance		✓	✓	

¹ Workers who are not employees but whose work and/or workplace is controlled by the organization.



Our Presence is structured around 4 regional hubs

Region	Main Office	Solar Capacity (MW)	Wind Capacity (MW)	Hydro Capacity (MW)	Networks ('000 km)	Clients ('000 #)	Employees (#)
Europe	Lisbon, Oporto, Oviedo, Madrid	11,184	285			5,540	8,311
APAC	Singapore	726				531	
North America	Houston	7,242				1,041	
South America	São Paulo	3,066	98			3,586	3,328

Solar Capacity (MW)
 Wind Capacity (MW)
 Hydro Capacity (MW)
 Networks ('000 km)
 Clients ('000 #)
 Employees (#)
 Main offices

Our Presence

45 TWh
74% renewable energy generation

13,211
employees

Business areas

Our Organization

Renewables

56%
77%
Capex EBITDA

Electricity Networks

33%
18%
Capex EBITDA

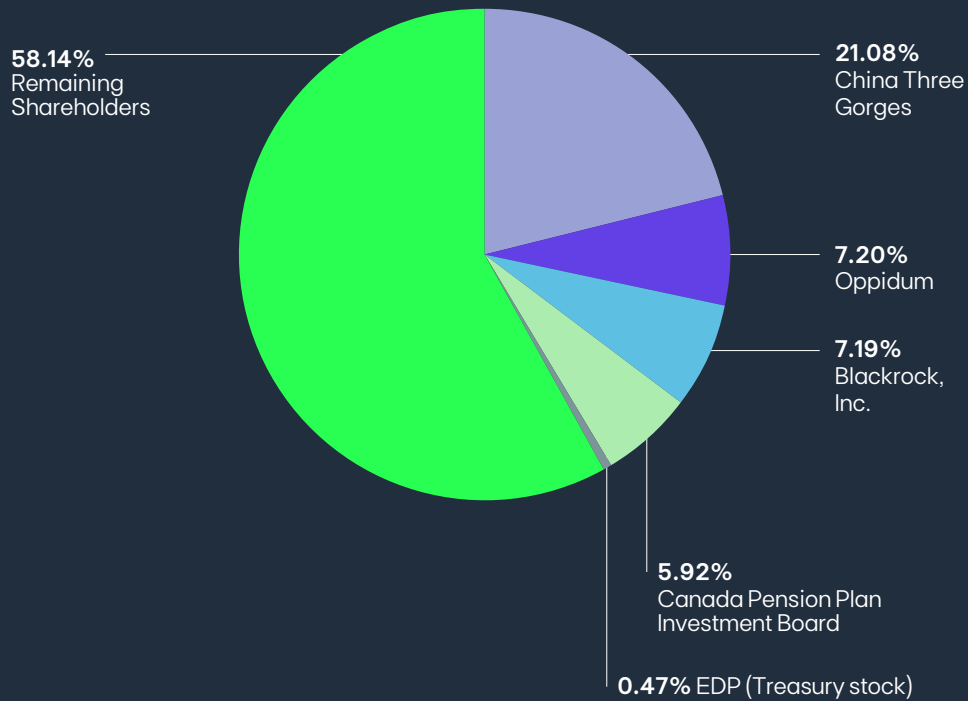
Client Solutions &
Energy Management

11%
5%¹
Capex EBITDA

1 - Includes capex on IT, buildings and fleet.

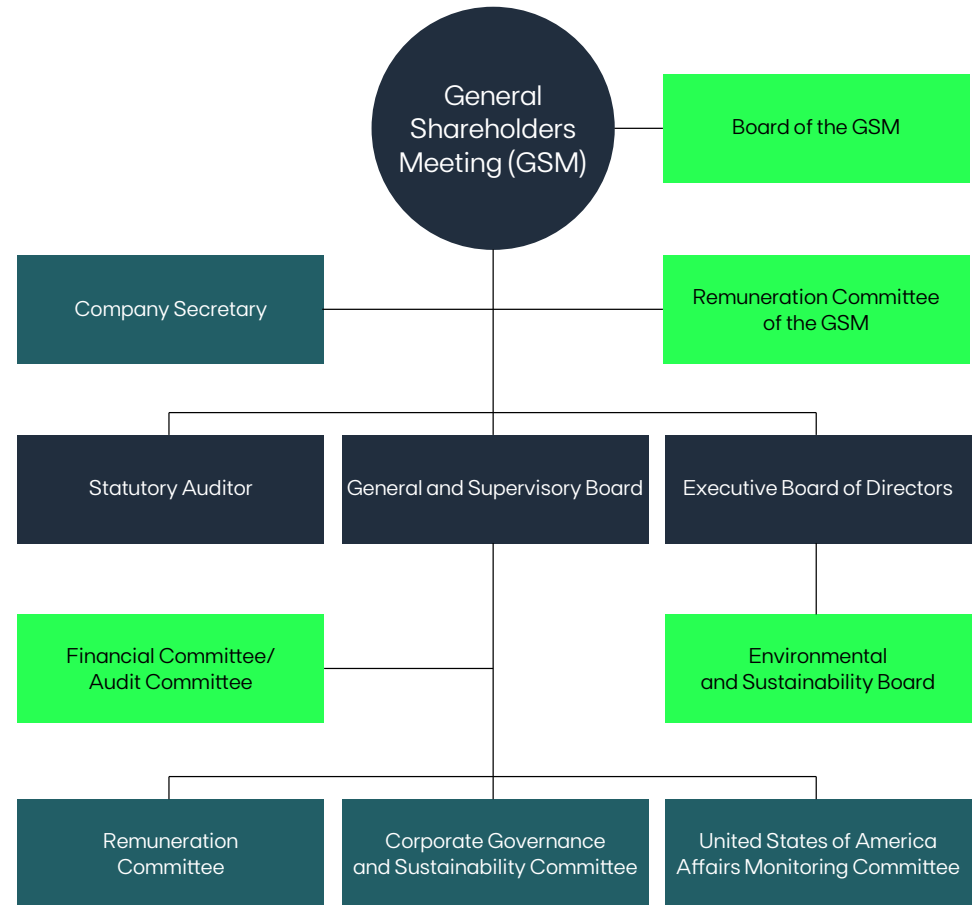
Shareholder Structure

The share capital of EDP – Energias de Portugal, S.A. is 3,965,681,012 euros and is fully paid up, as provided for in article 4 of the Company Statutes, being represented by 3,965,681,012 shares with a nominal value of 1 euro each.



According to the results of the analysis prepared by Nasdaq, the volume of the Socially Responsible Investors (SRI) EDP shares represent 29.8% of EDP's share capital (up 5 percentage points compared to 2021). 67% of shares held by SRI investors are located in Europe. The other 33% are mostly located in the United States (21%); United Kingdom (18%) and France (16%).

Corporate Governance



- Corporate Entites¹
- Corporate Bodies
- Other Statutory Bodies

¹ Corporate Entites are also Corporate Bodies, pursuing the article 8(4) of EDP's Articles of Association.

For more information on Corporate Governance, please see Part III – Corporate Governance Report.

Our Corporate Bodies

Executive Board of Directors



Rui Teixeira

- CFO EDP and EDP Renewables
- Global Energy Management
- Energy Planning and Investor Relations



Vera Pinto Pereira

- CEO EDP Comercial
- Client Solutions
- Social Impact Coordination Office



Miguel Stilwell d'Andrade

- CEO EDP and EDP Renewables
- Strategy and Corporate Development
- People & Organization and Communication



Ana Paula Marques

- CEO EDP España
- Hydro and Conventional Generation
- Digital, Innovation, Policy, Regulation & Stakeholders



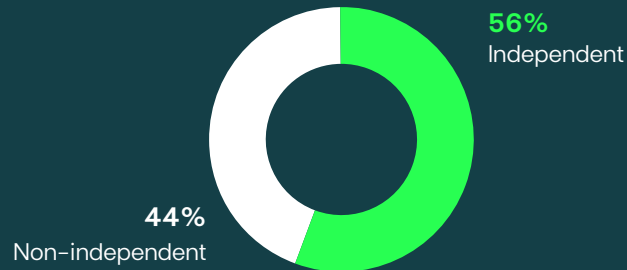
Miguel Setas

- Chairman EDP Brasil and E-Redes España
- Networks
- Risk Management and ESG

Our Corporate Bodies

General and Supervisory Board

Status



Gender diversity



João Luís Ramalho de Carvalho Talone
Chairman



Dingming Zhang
China Three Gorges Corporation



Shengliang Wu
China Three Gorges International Limited



Ignacio Herrero Ruiz
China Three Gorges (Europe), S.A.



Zhang Hui
China Three Gorges Brasil Energia, S.A.



Miguel Espregueira Mendes Pereira Leite
China Three Gorges (Portugal), Sociedade Unipessoal, Lda.



Felipe Fernández Fernández
DRAURSA, S.A.



Fernando Maria Masaveu Herrero



João Carvalho das Neves



Maria del Carmen Fernández Rozado



Laurie Lee Fitch



Esmeralda da Silva Santos Dourado



Helena Sofia Silva Borges Salgado Fonseca Cerveira Pinto



Sandrine Dixson-Declève



Zili Shao



Luís Maria Viana Palha da Silva
Chairman of the General Shareholders' Meeting

Statutory Auditor

Pricewaterhouse Coopers & Associados – Sociedade de Revisores de Contas, Lda.,
João Rui Fernandes Ramos

Aurélio Adriano Rangel Amado
Alternate Statutory Auditor

Our Business Model

Trends

Market Forces

Stakeholders

Resources



Financial

- €13.2 Bn financial net debt
- €14.0 Bn equity



Physical

- 28 GW installed capacity (22 GW renewable)
- Shop network



Intellectual

- €186 M investment in innovation/R&D
- Brand



Human

- 13,211 employees
- Contractors



Social

- €22 M donations
- Business partners



Natural

- Renewable resources: wind, hydro and solar
- Non-renewable resources: gas, coal

Generation

Generation is the first activity in the value chain of the electricity sector. Power plants transform the various energy sources into electricity. These energy sources may be of renewable or non-renewable origin. In EDP, 75% of the energy produced comes from renewable sources.



Transmission

In the transmission the energy generated is delivered to the transport network, which is made of very high voltage lines and which then channels the energy to the distribution network. In EDP this is a growing business segment in Brazil.



A global energy company, leading the energy transition to create superior value.

Distribution

In the distribution activity the transported energy is channeled to the distribution grid. The distribution network allows the flow of energy to the supply points. Electricity distribution networks are composed of high, medium and low voltage lines and cables. EDP has made major investments in the modernization of its network such as the increase in the number of smart meters installed.



Supply

In the supply activity the distributed energy arrives at the supply point and is sold by the supplier. Throughout the electricity and gas value chain, supply is the closest activity to the customer and responsible for the relationship with final consumers. EDP has been focusing on developing new solutions for customers responding to new challenges of the energy transition.

Outputs



Financial

- €679 M net profit
- +0.5% TSR
- Debt management



Physical

- Quality and efficiency of energy supply
- 61 TWh energy produced
- 85,3 TWh distributed



Intellectual

- Innovative products and services
- Knowledge generated



Human

- 27.5% female employees
- 24 hours of training/employee
- 1.84 frequency rate (EDP + contractors)



Social

- €31 M social investment
- 10,551 hours of EDP volunteering time
- 80% customer satisfaction



Natural

- 160 tCO₂/GWh emissions
- 144 thousand TJ energy consumption
- Waste and water management

Impacts

- Minimizing financial risks
- Debt reduction

- Ensuring the quality and efficiency of energy supply
- Promotion of safety of facilities and equipment

- Promotion of innovation and research
- Promotion of the adoption of sustainable consumption behaviours
- Leveraging generated knowledge

- Promotion of diversity and equal opportunity
- Promotion of employee skills development
- Promotion of occupational health and safety
- Promotion of employee satisfaction

- Reputation and recognition
- Promotion of social investment
- Promotion of customer satisfaction
- Promotion of an ethical culture with suppliers

- -56% of specific emissions reduction S1+S2 (vs 2015)
- 6 TWh saved energy by customers (since 2015)
- Preservation of biodiversity

Our values

Innovation

We want to create value in the various areas in which we operate.

Sustainability

We aim to improve the quality of life of current and future generations.

Humanization

We build genuine and trusting relationships with our employees, customers, partners, and local communities.

Our commitments

Results

Delivering on our commitments to shareholders; leading through the ability to anticipate and execute; demanding excellence.

Sustainability

Taking on environmental responsibilities; contributing to developing the regions where we operate;
Reducing gas emissions; actively championing energy efficiency

Customers

Staying focused on customers; making sure we listen to their concerns; responding simply and transparently; surprising them and anticipating their needs.

People

Combining an ethical and rigorous conduct with enthusiasm and initiative; encouraging teamwork; investing in competence and merit; promoting a balance between professional and personal life.

Our Vision



**A global energy company,
leading the energy transition
to create superior value**

Stakeholder Management

Stakeholder management is an extremely demanding exercise for companies that involves sharing information and being transparent in their relationship with society and, in particular, with all who are affected by their activities.

Engaging with stakeholders is a strategic priority for EDP to establish an open dialogue, following the ESG (Environment; Social; Governance) growing importance in the business world.

EDP strongly believes this activity is key to enabling the implementation of the business plan, improving business success, anticipating risks, and also to create value for the stakeholders involved. To pursue these objectives, it has been fundamental to rely on the joint effort of all the EDP business units across the world to know their main stakeholders, understand their priorities and needs, establish continuous communication, and deploy ambitious action plans to tackle the main risks and meet stakeholder's needs.

EDP Group continues committed to achieving an excellent level regarding stakeholder engagement activities, designing new procedures, and global and unified approaches on its main markets, adapting it whenever necessary regarding cultural and social specificities.

Position EDP as a global company at the forefront of the energy transition, increasing awareness in our key markets, and establishing long-lasting and trustful relations with our main stakeholders will continue to be our main purpose.

EDP GROUP STAKEHOLDER ENGAGEMENT POLICY

Understand

> INCLUDE > IDENTIFY > PRIORITISE

- We have dynamically and systematically identified the Stakeholders who influence and are influenced by the Company.
- We analyze and seek to understand stakeholders' expectations and interests in the decisions that impact them directly.

Communicate

> INFORM > LISTEN > UNDERSTAND

- We are committed to promoting a two-way dialogue with Stakeholders through information and advisory activities.
- We listen, inform, and respond consistently, clearly, accurately and transparently to stakeholders in order to build close, strong and lasting relationships.

Trust

> TRANSPARENCY > INTEGRITY > RESPECT > ETHICS

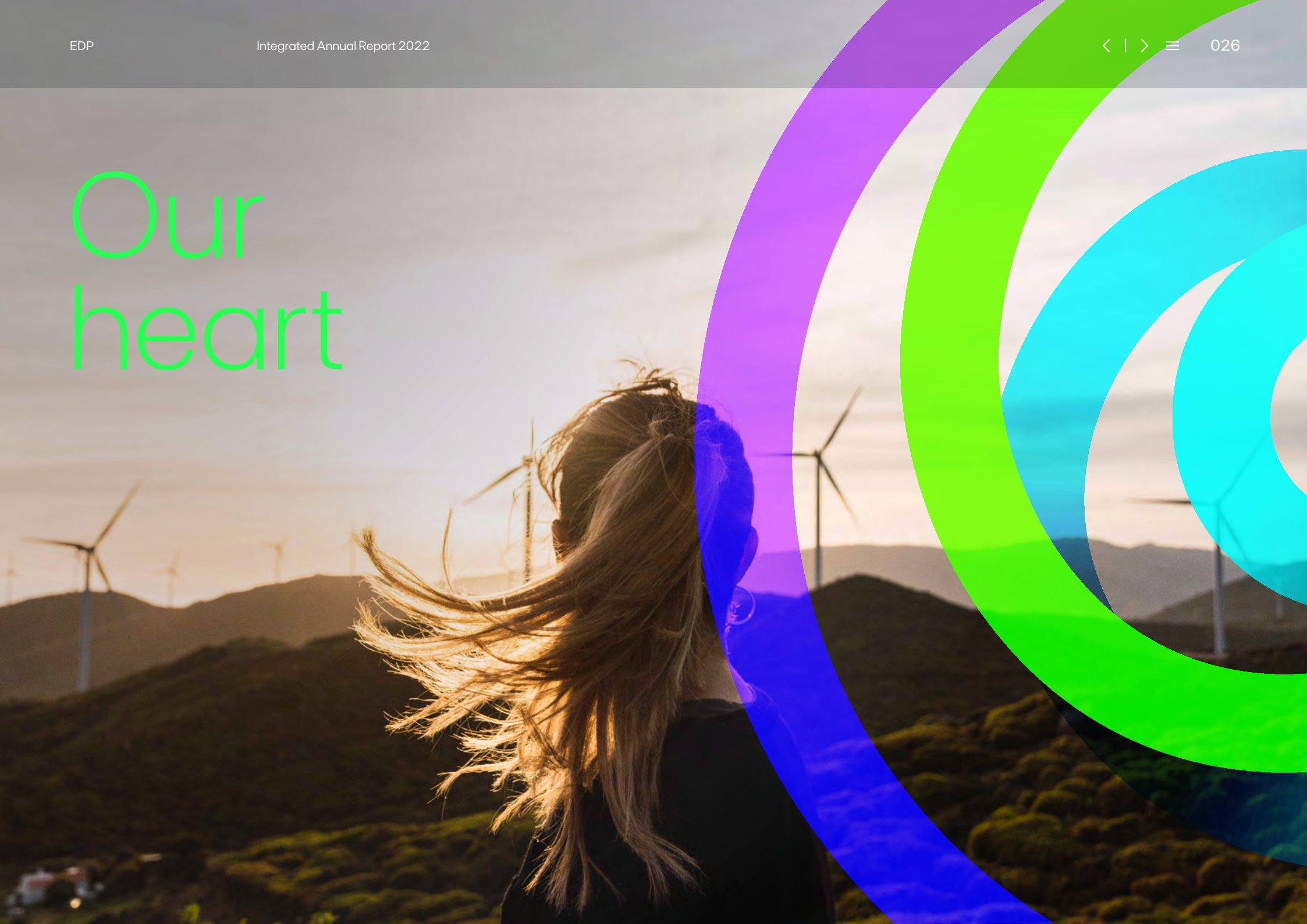
- We believe promoting trust with our stakeholders is crucial to establish stable and long-term relations.
- Our relationship with stakeholders is based on such values as transparency, integrity, and mutual respect.

Colaborate

> INTEGRATE > SHARE > COOPERATE > INFORM

- We aim to work with stakeholders to build strategic partnerships that collate and share knowledge, skills and tools, thereby promoting the creation of shared value in a differentiated way.

Our heart



Strategic Approach



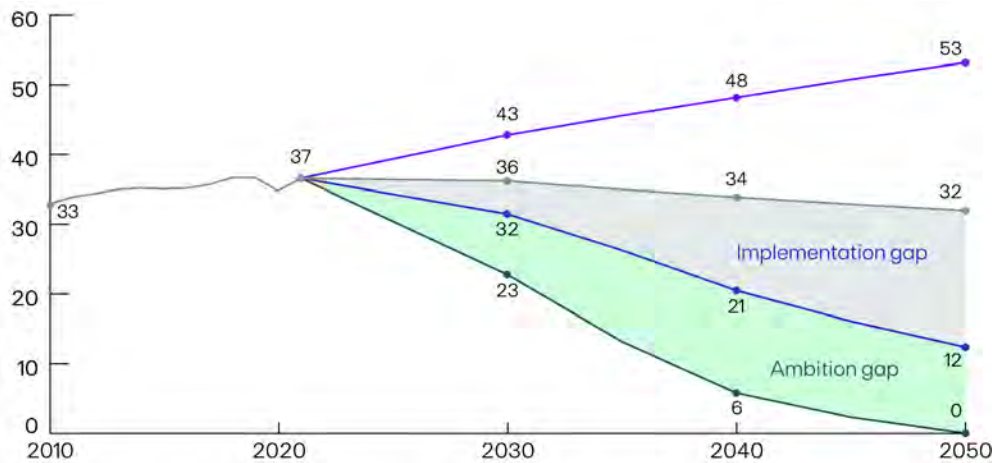
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2.1. Global energy trends

An extraordinary challenge

Limiting the increase in global temperature to 1.5°C compared with the pre-industrial levels requires the **global economy to fully decarbonize by 2050**. To overcome this unprecedented challenge, there must be **a coordinated commitment** from all countries, involving policymakers, businesses, and consumers. Currently, **more than 130 countries** have announced or are considering net-zero targets, **covering 83% of global emissions**. This corresponds to more than 90% of the global GDP and 80% of the world population¹. However, the announced pledges fall short of reaching the target by 2050, and there is still an ambition gap to be fulfilled (see figure below).

GLOBAL CO₂ EMISSIONS BY SCENARIO, 2010-2050



Source: International Energy Agency, World Energy Outlook 2022

- Pre-Paris scenario
- Announced pledges scenario
- Stated policies scenario
- Net-zero scenario

As an overarching target, providing **access to electricity to the entire global population** is critical to clean and energy-efficient demand. Many of the poorest households often use low-quality and polluting fuels, with impacts on their health and the environment, combined with inefficient equipment. The International Energy Agency (IEA) considers that under a carbon neutrality scenario, there will be **no one without access to electricity by 2030**, compared to 770 million people today.

An energy transition driven by three key pillars

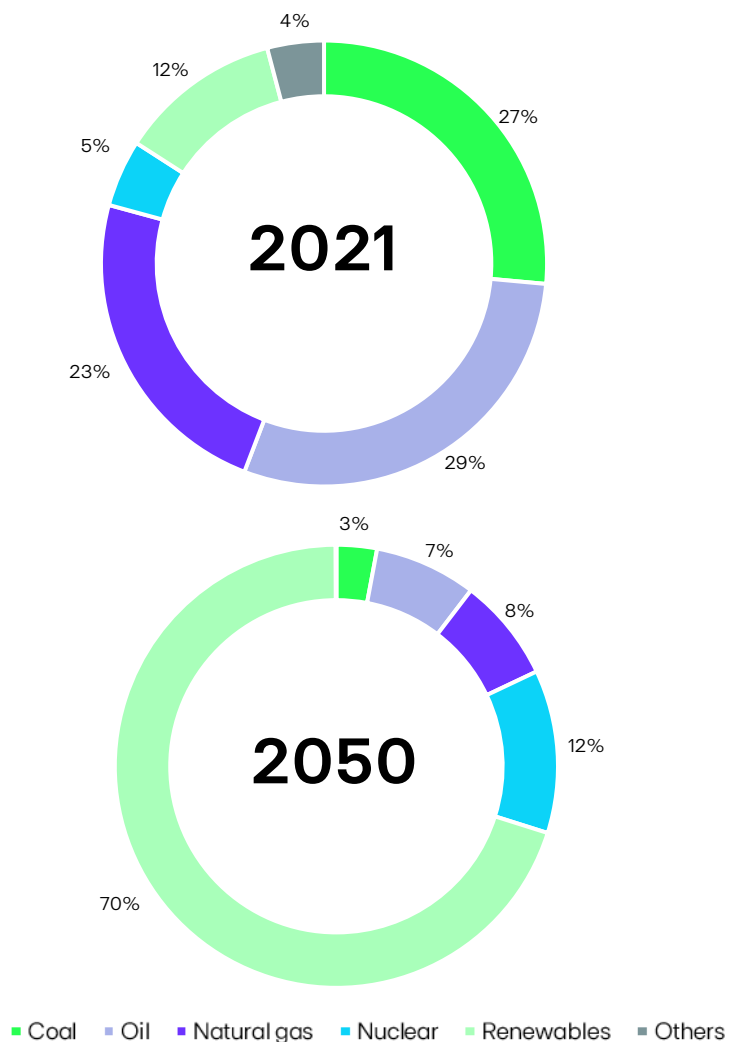
A **global energy crisis** marked the year 2022, with high commodity prices impacting businesses and households. The exposed fragilities of a fossil fuel-dependent energy system **reinforced the need for change** and **highlighted the importance** of pursuing the main **carbon neutrality drivers: renewables, electrification, and energy efficiency**.

The IEA estimates in its Net-Zero Emissions scenario of the World Energy Outlook 2022 that **clean technologies must dominate the energy mix** to enable the energy transition. While today fossil fuels account for 80% of the primary energy demand, there will have to be a complete change in the coming decades. **Renewables should represent 70% of the mix by 2050**, and the remaining fossil fuels must be combined with carbon capture and storage technology (see figure next page).

Decarbonization is happening at a faster pace in the power sector, in which **renewables are already a cost-competitive solution for most key markets around the world**. More than two-thirds of the world population lives in countries where either onshore wind or solar PV are the cheapest technologies for new builds (BloombergNEF). Electric solutions are often more efficient than other alternatives, as is the case of electric vehicles or heat pumps. All in all, **electrification supported by a renewable mix should be the most effective solution for cleaner and more efficient energy consumption**.

¹Data retrieved from Net Zero Tracker on January 6th, 2023

GLOBAL PRIMARY ENERGY DEMAND FOR THE NET-ZERO SCENARIO



Source: International Energy Agency, World Energy Outlook 2022

Energy efficiency plays a critical role, since more efficient appliances ensure a **lower energy demand**, reducing costs, and ultimately **lowering energy bills for consumers**. Some of the most effective energy efficiency measures include renovating buildings and investing in efficient appliances, reducing energy needs, and improving thermal comfort.

Other clean technologies are necessary to reach net-zero

Renewables, electrification, and energy efficiency will be the key pathways to pursue to reach carbon neutrality. However, global decarbonization efforts will have to be **complemented by investment in alternative low-carbon technologies**, especially for hard-to-abate uses.

Hydrogen will play an important role in sectors such as **heavy industry, long-distance, and heavy-duty vehicles, shipping, and aviation**. With the expected decrease in the cost of electrolyzers and in the cost of electricity generation, renewable electrolysis should become a more competitive solution to produce hydrogen. Hydrogen has been gaining global recognition, and today more than 50 countries already have either a **Hydrogen National Strategy** or are preparing one (BloombergNEF).

The future power system will also require a strong increase in the **availability of flexible technologies** as a response to the intermittent nature of renewables. From mature technologies to the ones still growing, all will have an important part to play, including **pumped hydro, battery storage, interconnections, and demand-side response**.

Innovation and digitalization as key enablers

To keep up with the decarbonization goals, innovation will be essential, as we need to **adopt existing technologies at a faster rate** while developing **new ones**. **R&D will be critical** to further develop the **technologies that are still in the prototype or demonstration phase** and without which carbon neutrality cannot be reached.

Digitalization also offers several opportunities for utilities throughout the entire value chain, fostering energy transition. For the **generation** side, digitalization solutions will comprise **embedding data into everyday activities** to maximize outputs and operations efficiency (e.g., predictive maintenance, automated work). For **networks**, a more digital business will **facilitate managing a system** with much higher levels of renewables and distributed energy resources, while also **making operations more efficient** (e.g., smart meters, smart grids, predictive maintenance). While on the retail side, digitalization will enable the integration of

an increasing number of **distributed resources** and will allow for the rethinking of **business models, customer interactions, products, and services.**

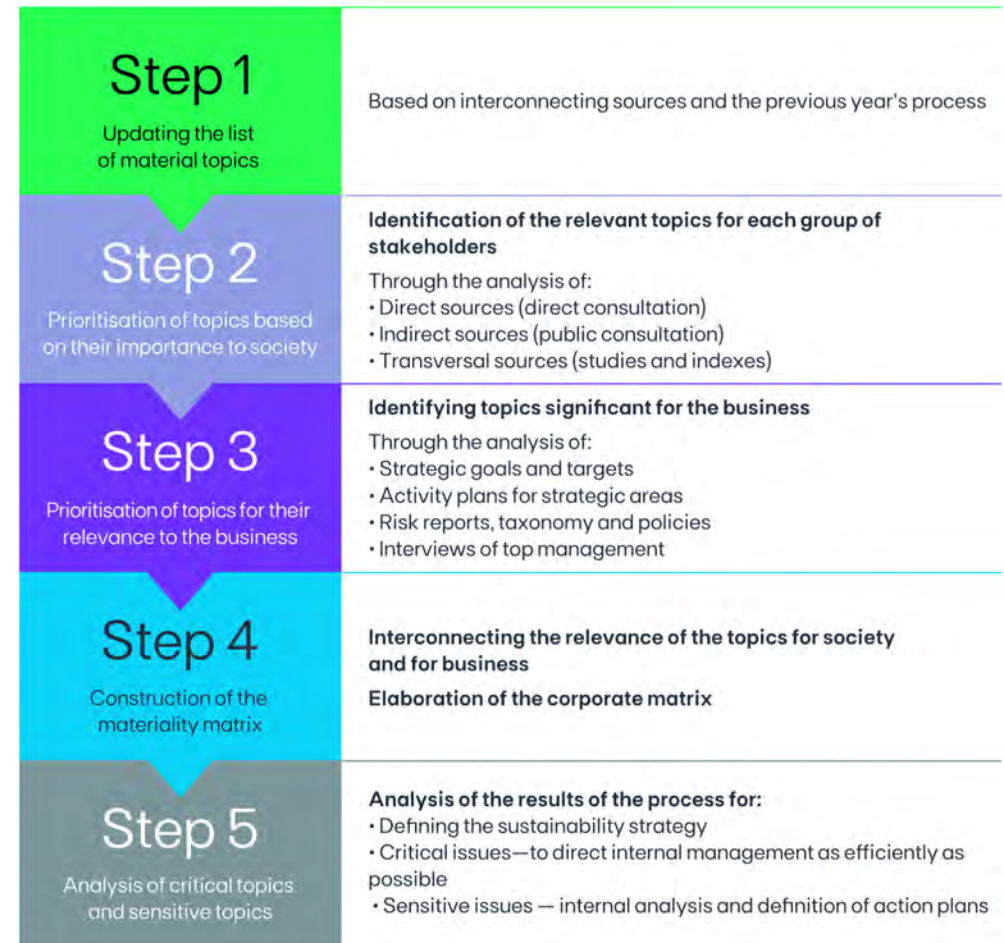
2.2. Materiality

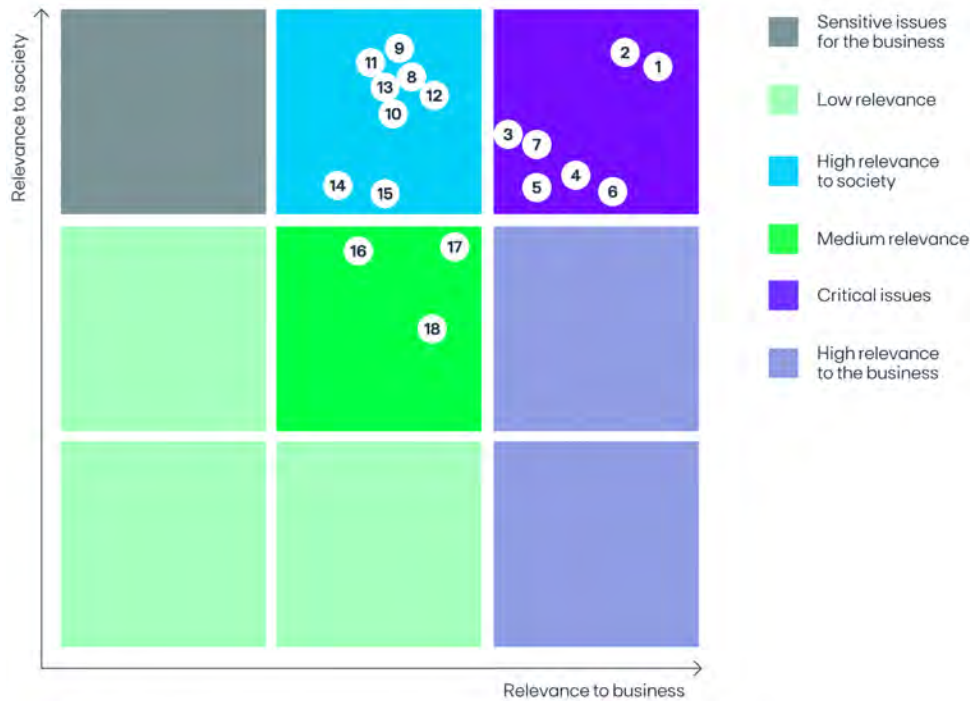
EDP's Materiality analysis process has been developed since 2016, through a transversal methodology, common to the whole group, systematised and detailed in a specific report available at www.edp.com. The EDP group carries out its Materiality process every two years, accompanying the revision of its Business Plans. This process makes it possible to identify the relevance of non-financial issues for stakeholders, cross-referencing it with their relevance to the business priorities and strategy. This analysis supports the decision-making process and the development of strategies in the organization, particularly the clarification of its performance in terms of sustainability.

The main stages of the materiality process are described in the infographic on the right. EDP's methodological approach in the definition of materiality considers the concept of double materiality, as defined by GRI Standards. This alignment reflects the importance given by the group to the relevance of the issues for society, in which it takes into account their impact on its stakeholders. However, as the concept of double materiality becomes operational in the international regulatory context, namely with the creation of the International Sustainability Standards Board and as defined by the European Financial Reporting Advisory group (EFRAG), EDP is dealing with possible adjustments to its methodology for identifying material themes in subsequent reports, in order to meet the expectations of its stakeholders and fulfil its commitment to society and the environment.

In 2022, material themes remain stable compared to 2021, and 18 material themes have been identified for the EDP group, whose relevance for society and for business is positioned in accordance with the matrix presented on the following page, highlighting:

7. Customer Satisfaction and Service – Sustainable Consumption stands out for its increased relevance for both society and business. Thus, this is a subject to which EDP intends to give particular focus in its activity plan. Additionally, the growing weight of the issue of Energy Prices at a European level was also identified as one of the most relevant issues for society in 2022.





- 1 Climate Change
- 2 Promoting Renewable Energy
- 3 Innovation and Digital Transformation
- 4 Economic Business Sustainability
- 5 Decarbonisation Solutions
- 6 Health and Safety
- 7 Satisfaction and Customer Service
- 8 Crisis Management
- 9 Environmental Protection
- 10 Community Engagement
- 11 Communication and Transparency
- 12 Human Rights
- 13 Vulnerable Customers
- 14 Corporate Governance
- 15 Ethics and Compliance
- 16 People Management
- 17 Supplier Management
- 18 Sustainable Finance

6. Safety – Mental Health has distinguished itself by the increasing growth of its relevance to society, distinguishing it from other Safety themes for 2022.

17. Supplier Management – The growing relevance of the topic for business and society is due to the increased importance given to environmental criteria in the supply chain, namely the reduction of CO₂ emissions in the context of decarbonisation, in light of global goals.

The Materiality process also makes it possible to identify the degree of priority given by each stakeholder group to sustainability issues. This analysis shows a natural dispersion of the relevance attributed by various stakeholders to the analysed themes, inherently related to their nature and relationship with the company.

The figure in the next page details the identified themes, aggregated by the degree of relevance attributed to each of the stakeholder groups.

MAIN TOPICS

Climate Change 1	Crisis Management 8
Mitigation	Infectious diseases (Covid-19)
Decarbonisation Solutions 5	Environmental protection 9
Energy efficiency	Biodiversity protection

	Climate Change	Promoting Renewable Energy	Innovation and Digital Transformation	Economic Business Sustainability	Decarbonisation Solutions	Health and Safety	Customer satisfaction and Service	Crisis Management	Environmental Protection	Community Engagement	Communication and Transparency	Human Rights	Vulnerable Customers	Corporate Governance	Ethics and Compliance	People Management	Supplier Management	Sustainable Finance	
Market																			
Shareholders, Investors	High	High	Medium	High	Medium	High	Medium	High	Medium	Medium	High	High	Medium	High	Medium	Medium	Medium	Medium	High
Financial Entities	Medium	High	High	High	Medium	Medium	High	High	Medium	Medium	High	Medium	Medium	Medium	High	Medium	Medium	Medium	High
Competition	High	High	Medium	Medium	Medium	Medium	High	Medium	High	High	Medium	Medium	Medium	Medium	Medium	Medium	High	Medium	Medium
Democracy																			
Government, Public Entities, Regulation	High	High	Medium	Medium	Medium	Medium	Medium	Medium	High	Medium	Medium	Medium	High	Medium	Medium	Medium	Medium	Medium	Medium
Political Parties	High	High	Medium	High	Medium	Medium	High	Medium	High	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
International Institutions	High	High	Medium	Medium	High	Medium	Medium	High	High	Medium	Medium	High	Medium	Medium	Medium	Medium	Medium	Medium	Medium
Social and Territorial Environment																			
NGOs	High	High	Medium	Medium	Medium	High	Medium	Medium	High	High	Medium	High	High	Medium	Medium	Medium	Medium	Medium	Medium
Local Communities	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	High	High	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
Local Government	Medium	High	Medium	Medium	Medium	Medium	Medium	Medium	Medium	High	Medium	Medium	Medium	Medium	Medium	Medium	High	Medium	Medium
Media and Opinion Makers	Medium	High	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	High	Medium	Medium	Medium	High	Medium	Medium	Medium	Medium
Value Chain																			
Scientific Community	High	High	High	Medium	Medium	Medium	Medium	Medium	Medium	High	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
Customers	High	High	High	Medium	High	Medium	High	High	Medium	High	Medium	Medium	High	Medium	Medium	Medium	Medium	Medium	Medium
Suppliers	Medium	Medium	Medium	Medium	Medium	Medium	Medium	High	Medium	Medium	High	High	Medium	Medium	Medium	Medium	High	Medium	Medium
Employees	Medium	Medium	Medium	Medium	Medium	High	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	High	High	Medium	Medium	Medium

Relevance level
 High
 Medium
 Low

2.3. Risk management

2.3.1. Risk governance model

The EDP group follows a risk governance model, generally recognised in specialist literature¹ based on the concept of three lines of defence internal to the organisation – which may be complemented, in specific circumstances, by a fourth external line of defence, in the form of external auditing and regulation/supervision.

For every line of defence there are clearly defined responsible bodies and forums for debate and decision, formally established to materialize each line of defence at corporate and Business Units levels, avoiding duplication of efforts and/ or the existence of gaps, and promoting the cooperation and collaboration between different areas.

RISK GOVERNANCE MODEL OF THREE LINES OF DEFENCE

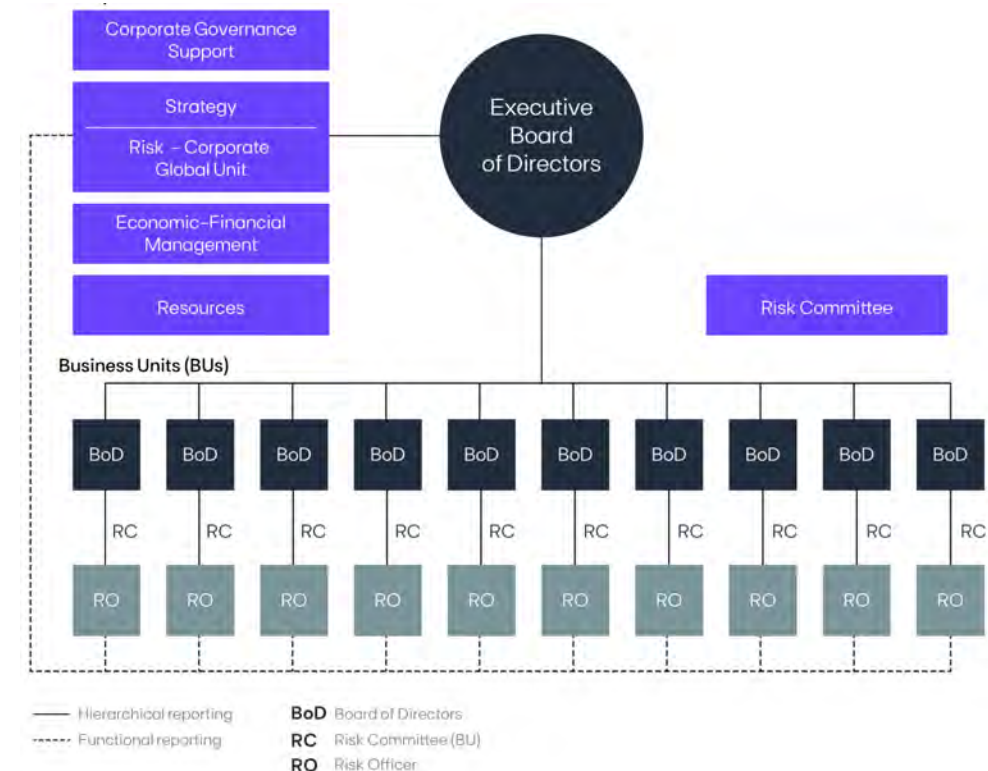
	1 st Line: Business (responsibility for risk)	2 nd Line: Risk (support the analysis and monitoring of risk)	3 rd Line: Audit (independent supervision)
Mission	Daily running business, including proactive management of risks, aligned with established risk policies	Support in the identification, analysis, evaluation and monitoring of risk (to support business)	Performance and coordination of auditing exercises, seeking the improvement of processes of risk management, control and corporate governance
Rational	Who benefits the most from risk should be the responsible for taking it	Given the (natural) incentive for business to take risk, it is beneficial to have an independent function specialized in risk	It is beneficial to have and independent entity responsible for the verification and evaluation of processes of risk management and control
Involved areas (not exhaustive)	<ul style="list-style-type: none"> Employees, suppliers and other internal and external entities Risk-owners Operative Committees 	<ul style="list-style-type: none"> Risk Management Risk - Corporate Global Unit Local risk management structures (risk officers and platform coordinators) Compliance & Internal Control - Corporate Global Unit Risk Committee 	<ul style="list-style-type: none"> Internal Audit - Corporate Global Unit
	EBoD		GSB via CMF/CAUD

Risk management is represented by the Risk – Corporate Global Unit at corporate level, as well as by the local risk units across the Business Units (lead by their respective risk-officer) that functionally report to the Risk – Corporate Global Unit, guaranteeing a fluid articulation and communication concerning key risk sources and mitigation actions.

In addition, Risk Committees are held at corporate level and locally, at Business Units, gathering top management and relevant specialists for the analysis, debate and advice on key risk exposures for the group, respective limits and other mitigation actions.

A more detailed description about the intervening bodies in the risk governance model at EDP group, as well as attributed responsibilities, is available in the [Corporate Governance Report](#).

CORPORATE FUNCTIONS



¹Instituto de Auditores Internos em IIA, Position Paper, *The three lines of defense in effective risk management and control*, Janeiro 2013

2.3.2. Key risks

EDP group seeks to have a comprehensive view over the key risks it is exposed to, at strategic, business, financial and operational level, establishing processes to assure follow-ups and proactive management.

The year 2022 was marked by the geopolitical crisis caused by the conflict in Ukraine, resulting in an energy crisis (in part of the year aggravated by a period of drought in Iberia). The financial markets also noted some concern about the sharp rise in inflation and increase in interest rates.

Risk management reaffirmed its importance, playing an essential role in this disruptive environment.

A more detailed description of the various risks is available in the [Corporate Governance Report](#).

	Illustration of topics (not exhaustive)	Recent evolution/ expected in short-term	Mitigation Actions (not exhaustive)
Strategic & ESG	Strategy - Geopolitical instability. - Social and economic crises. - Technological disruption. - Change in the competitive paradigm.	+ <ul style="list-style-type: none"> Geopolitical instability with the standstill in resolving the conflict in Ukraine, with the following side effects (1) at macroeconomic level (increased inflation and uncertainty regarding its persistence and political, social, fiscal and monetary response), and (2) instability of supply chains (particularly in the energy sector and in Europe, greater exposure to fossil fuel supply and price risks - current transition to the regulated market and change in the EDP group's customer paradigm). Generalized loss of purchasing power with relevant impacts on the population and businesses, increasing the pressure on a social and economic crisis. 	<ul style="list-style-type: none"> Creation of a multidisciplinary crisis management team to monitor the evolution of the energy and geopolitical crisis. In-depth analysis of supplier exposure in EDP group's supply chain. In-depth analysis of exposure and quantification of the impact of rising inflation in EDP group.
	ESG - Climate change, biodiversity, and circular economy. - People, communities and human rights. - Business conduct and ethics.	=/+ <ul style="list-style-type: none"> Drought scenario with a pronounced drop in hydroelectric production, and additional measures to increase the strategic water reserve by the Government, prioritizing competitive uses of water. Reinforced EDP group's commitment to renewable technologies, in line with political objectives of decarbonization of the economies. Increased security risk for employees and facilities in assets nearby the conflict in Ukraine. Ranked first in the Dow Jones Sustainability Index among integrated utilities. 	<ul style="list-style-type: none"> Geographic and technological diversification of the EDP group's asset portfolio. Rigorous analysis and prospective investments, allowing us to anticipate and adapt the business model to possible market evolution trends (e.g., decarbonization, electrification). Monitoring of ethical risk by the Ethics Ombudsman. Gathering, analysis and assessment in the Ethics Committee of all unethical behaviour allegations. Regular safety risk assessments and implementation of safety measures (e.g., regular training, safety equipment). Extraordinary risk assessment and monitoring of the security of persons and assets nearby Ukraine by multidisciplinary crisis management team.
Business	Energy Markets - Fluctuations in pool, commodity and CO ₂ prices. - Volatility in the volume of renewable energy production (i.e., hydro, wind and solar). - Volatility in energy consumption. - Changes in commercial margins.	+ <ul style="list-style-type: none"> Strong volatility and price increases in the energy markets, particularly in Europe and in the natural gas and electricity markets. Strong volatility in Iberia's hydro volume. Exposure to supply chain risks in the natural gas supply chain. Increase in wind and solar renewable capacity. Implementation of the Iberian mechanism. Implementation of price mechanism for natural gas TTF. 	<ul style="list-style-type: none"> Portfolio diversified by hydro, thermal, wind and solar, reducing (partially) the exposure to renewable volumes and following the climate transition trend of focused on renewable technologies. Preference for long-term energy contracts. Optimization of the production margin in the market, carried out by a dedicated area, with action duly framed by risk policy. Hedging of the main sources of exposure (e.g., fuel prices).

	Illustration of topics (not exhaustive)	Recent evolution/ expected in short-term	Mitigation Actions (not exhaustive)
Financial	Regulation <ul style="list-style-type: none"> - Changes in rates, taxes and sectorial charges. - Changes in the tariff regime of regulated activities. - Legislative changes. - Alteration of norms (e.g., environmental/climate). 	=/+ <ul style="list-style-type: none"> • Regulatory impacts in the group's various geographies with materialization at the level of group results. • Clawbacks applied in different markets, with higher risk in Poland and Romania markets. • New regulatory period in the distribution business in Portugal. 	<ul style="list-style-type: none"> • Careful monitoring and preparation of the various regulatory dossiers, including anticipation of potential regulatory risks (e.g., climate transition risks). • Geographic diversification.
	Financial Markets <ul style="list-style-type: none"> - Fluctuations in interest rates. - Fluctuations in exchange rates. - Inflation rate fluctuations. - Fluctuations in the value of financial assets held by the group. 	+ <ul style="list-style-type: none"> • The war in Ukraine and post-pandemic period with impact at the level of constraints in supply chains, resulting in an increase in inflation rates worldwide (with special impact on energy prices). • As a result of the higher inflation rate, and trying to combat its growth, the main Central Banks increased interest rates, reaching the highest levels of the last ten years. • Depreciation of the EUR against the USD and of the EUR against the BRL, due to the instability associated with the war in Ukraine, as well as the interest rate differentials in the different currency zones. 	<ul style="list-style-type: none"> • Interest rate risk mitigation in accordance with the risk limits established by the group's policies. • Diversified exchange rate exposure due to the presence in multiple geographies, with a tendency for a balanced net position (assets - liabilities), through funding sources in local currency and/or the use of hedge instruments. • Contracts with inflation indexation components. • Reduced weight of strategic financial assets and treasury application essentially in short term bank deposits.
	Credit <ul style="list-style-type: none"> - Default of financial counterparties. - Default of energy counterparties (energy purchase/sale contracts). - Customer default (B2B and B2C). 	+ <ul style="list-style-type: none"> • Increase of some credit exposures due to price escalation in energy markets. 	<ul style="list-style-type: none"> • Careful selection of reference counterparties, and regular monitoring. • Diversification by multiple counterparties. • Financial instruments of reduced complexity, high liquidity and non-speculative. • Mix of B2B and B2C clients, credit insurance and bank guarantees (when applicable).
	Liquidity/ solvability <ul style="list-style-type: none"> - Occasional cash flow insufficiencies. - Financial rating downgrade (and consequent increase in financing costs and limitation in access to financing). 	+ <ul style="list-style-type: none"> • Increased liquidity needs in the organized forward markets due to the escalation of prices in the energy markets accommodated by the EDP group's conservative liquidity position. • Increase in the amount of available funds, accompanying the increase in liquidity needs. 	<ul style="list-style-type: none"> • Cashpooling for all geographies (excluding Brazil). • Constant control of liquidity levels in a stressed risk scenario to ensure coverage of treasury needs (sufficient to cover 2 years). • Diversification of funding sources, debt type profiles and debt maturity.
	Social Liabilities <ul style="list-style-type: none"> - Capitalization of the Defined Benefit Pension Fund. - Additional current and early retirement costs. - Medical Expense Costs. 	- <ul style="list-style-type: none"> • Comfortable capitalization position with less risk of funding shortfall due to the decrease in the value of liabilities with the increasing interest rates. 	<ul style="list-style-type: none"> • Regular monitoring of the Defined Benefit Pension Fund, the value of the assets that compose it, and responsibilities by specific committee (including the financial and risk units).



Operational	Illustration of topics (not exhaustive)	Recent evolution/ expected in short-term	Mitigation Actions (not exhaustive)	
	Assets under construction/ development	<ul style="list-style-type: none"> - Delays in asset commissioning date and lost revenue. - Deviations in investment cost (CAPEX). 	 <ul style="list-style-type: none"> • Increased instability and inflation in the supply chain. 	<ul style="list-style-type: none"> • In-depth analysis of the exposure of suppliers in EDP group's supply chain. • Crisis management and business continuity plans for catastrophic events (e.g., environmental, geopolitical instability).
	Assets in operation	<ul style="list-style-type: none"> - Damage to physical assets and third parties. - Breakdowns due to component or installation defects. - Unavailability due to external events (e.g., of atmospheric nature). - Operational performance (e.g., distribution network losses, quality of service indicators). 	 <ul style="list-style-type: none"> • Security risk for people and assets nearby Ukraine. • Maintenance of extreme events risk, mainly impacting electricity generation, transmission and distribution assets. 	<ul style="list-style-type: none"> • Creation of a multidisciplinary crisis management team to monitor the evolution of the energy and geopolitical crisis, with action plans in the event of a threat. • Comprehensive insurance policies (essentially at the level of property damage and loss of profits, civil liability and environmental liability). • Programs to combat fraud (at the level of non-technical losses). • Availability of an internal tool to support the recording of incidents and analysis of operational risks being adopted by some Business Units in Portugal.
	Execution of Processes	<ul style="list-style-type: none"> - Irregularities in the execution of processes (at the level of commercial activities, selection and management of suppliers, invoicing and collection from clients, etc.). 	= -	<ul style="list-style-type: none"> • Diffusion of the Internal Control over Financial Reporting (ICFR). • Documentation and formalization of existing processes by dedicated area.
	Systems	<ul style="list-style-type: none"> - Unavailability of information and communication systems. - Information integrity and security. 	=/+ <ul style="list-style-type: none"> • Level of exposure (e.g., large-scale cyber-attacks, data protection directives) offset in part by continuous reinforcement of mitigation measures (cyber-range, SOC, cyber-risk insurance, trainings and awareness sessions). 	<ul style="list-style-type: none"> • Establishment of the level of criticality and maximum unavailability time for the main applications. • Implementation of redundant disaster recovery systems. • Establishment of a Security Operations Center (SOC) dedicated to continuous monitoring the security of the group's OT/IT infrastructure. • Private cyber-range to simulate and test employees' reaction to cyber-attacks. • <i>Online training and awareness actions on information security principles.</i> • <i>Continuous improvement of systems security.</i> • <i>Cyber risk insurance.</i>

	Illustration of topics (not exhaustive)	Recent evolution/ expected in short-term	Mitigation Actions (not exhaustive)
	<p><i>Legal & Compliance</i></p> <p>- Losses resulting from non-compliance with tax, labour, administrative, civil or other legislation in force (penalties, indemnities and settlements).</p>	<p>=</p> <p>-</p>	<ul style="list-style-type: none"> • Regular monitoring of legal exposure. • Constitution of provisions sized to cover all losses estimated as probable from litigation in progress.

2.3.3. Emerging risks

Besides the close monitoring of the main risks inherent to the group's activity, the main trends (global and sectorial) that may translate into threats and opportunities for the group are also comprehensively mapped, and adequate mitigation strategies are proactively developed. In 2022, the emerging risks assessment was updated, with the evaluation by EDP group's top management, executive and non-executive.

The most relevant emerging risks, even due to their impact over recent years, are (1) the regulatory risk and unadjusted energy market design, (2) the instability of global supply chains, (3) the increased inflationary pressure and rising interest rates, (4) the growing threat of cyber-risks and (5) the increase in climate risks (physical and transition risks), as well as the potential misalignment of international commitments for climate transition, and (6) the lack of talent supply in the labour market.

	Description	Impact	Mitigation Measures
Regulatory risk and energy market design mismatch	Structural change from a centralized towards a decentralized energy production model, and greater need for flexibility, along with efforts to decarbonize the economy. In this sense, a progressive revision of the regulatory framework is necessary.	<ul style="list-style-type: none"> Potential abrupt change in remuneration mechanisms, as well as their possible retroactive consequences, impacting profitability of current businesses and discouraging new investments. Unclear market design could lead to market or investment incentive distortions (e.g., to address supply chain constraints / price spikes). 	<ul style="list-style-type: none"> Close monitoring of regulatory developments and active participation in national and international discussions. Diversification by business line and by geography. Creation of contractual resilience in order to share the risk of possible structural changes in market design.
Instability of global supply chains	Global supply chains exposed to extreme events (e.g., environmental, social, geopolitical, macroeconomic) leading to supply disruptions or price pressure. Geographical concentrations of raw materials enhance this risk.	<p>Threats related to:</p> <ul style="list-style-type: none"> Fuel and raw materials/equipment supply chain constraints, critical to new investments; Delays in maintenance, construction, among others; Possible impact on operations, costs of delays (COD) and CAPEX deviations in new investments. 	<ul style="list-style-type: none"> Analysis and assessment of supplier exposure to potential supply chain disruptions and monitoring of critical suppliers (taking into consideration financial criteria and ESG criteria), as well as supplier diversification reducing dependencies (mainly for critical supplies). When applicable, evaluation of the trade-off of extending ongoing contracts vs. new bids/anticipating purchases to cover shortages and price increases.
Increased inflationary pressure and rising interest rates	Rising inflation and upward pressure on interest rates (exacerbated by the conflict in Ukraine) pressing liquidity of population and businesses, leading to extraordinary governmental measures (e.g., extraordinary taxes and fees).	<ul style="list-style-type: none"> Increase in the company's financial costs. Generalized increase in the cost of raw materials and equipment, impacting the profitability of assets in operation and under construction. Current asset sale strategy impacted by changes in investors' appetite. 	<ul style="list-style-type: none"> Integrated inflation control – aligning revenues with inflation-related costs (directly or through proxies). Maintenance of a mostly fixed debt strategy and increased debt duration. Prudent liquidity management.
Cyber-risks	Exposure to cyber risks of different natures, arising from of increasing technological sophistication and integration.	<p>Financial, operational and reputational loss, arising from (among others):</p> <ul style="list-style-type: none"> Operating losses/interruption (dispatch/plants, billing, customer service); Damage/destruction of assets (networks, central offices, other systems); Data breach/destruction (personal and others). 	<ul style="list-style-type: none"> Continuous improvement of the security of internal systems. Dedicated Security Operations Center (SOC) for continuous security monitoring of the group's OT/IT infrastructure. Dedicated Cyber-range for simulation and testing to cyber attacks Online training and awareness actions on information security principles. Cyber risk insurance.
Increased climate risks and potential misalignment of international commitments for climate transition	Physical risks associated with climate change (e.g., chronic risks such as increased temperature or reduced precipitation, and acute risks such as extreme temperature and precipitation events) impacting portfolio profitability and increasing costs. In a transition phase other regulatory, technological obsolescence, and market risks arise.	<ul style="list-style-type: none"> Structural loss of portfolio profitability: <ul style="list-style-type: none"> Damage to physical assets and loss of revenue caused by more frequent extreme weather events. Increases in overall costs (including insurance). Limitation of the economic potential of investments in new technological solutions (e.g., green hydrogen). 	<ul style="list-style-type: none"> Structured assessment of climate risks (TCFD), updating scenarios, evolution of climate variables and key risks and opportunities for each business. Development of climate adaptation plans by Business Unit in line with the main risks identified. Integration of climate risk assessment into investment analysis. Close monitoring of national and international commitments in decarbonization and adjustment of EDP's strategy accordingly.

	Description	Impact	Mitigation Measures
<p>Lack of supply of talent in the labour market</p>		<ul style="list-style-type: none"> • Asymmetry between energy sectors across countries (e.g., European integration) and across economic sectors (e.g., restrictions on energy sector versus transport). 	<ul style="list-style-type: none"> • Geographic, technological and business line diversification.
	<p>Increased competition for labour resources (skilled and unskilled), structural changes in work culture (driven by remote), and digital transformation.</p>	<ul style="list-style-type: none"> • Lack of talent supply to meet the company's human resources needs, impacting team sizing and productivity (including digital). • Rise of personnel costs and other benefits, as a way to attract talent. • Increased difficulty in retaining talent in the company. 	<ul style="list-style-type: none"> • Increased presence in social networks, participating and developing hiring and networking initiatives, youth-oriented programs, more agile recruitment and inclusive methodologies. • Flexibilization of work in line with new reality of and work culture. • Global development of the company culture as a talent management strategy (development and internal requalification) and development of the internal market.

More details on the TCFD climate dashboard framework is available on the [Climate Transition Plan report](#).

2.3.4. Risk appetite

The EDP group is exposed to a number of risks due to its dimension and diversity of businesses and geographies in which it operates, hence it recognizes risks as an integral and unavoidable component of its activity, both as threats as opportunities.

Acknowledging this fact, the group establishes explicitly and implicitly its risk appetite for all internal and external stakeholders, both at corporate and Business Units level, as well as for the various categories of risks, through a set of mechanisms:

- the periodical development and approval of the group's Business Plan by the Executive Board of Directors, which is communicated to all stakeholders, and where key strategic orientations are set for the upcoming three to five years;
 - the rigorous evaluation of risk related to investment and divestment opportunities proposed by the Business Units and approved by the Executive Board of Directors, including the estimation of returns adjusted to risks vs. established hurdles. This evaluation is supported by the opinion of the Investments Committee, which includes specialists from relevant areas of expertise;
 - the development of a wide set of risk management policies, both at corporate and Business Unit level, which establish guidelines, methodologies of evaluation and exposure limits for key risks²;
 - the periodical development of risk mapping exercises, based on objective, quantitative and comparable criteria, allowing an analysis of the exposure to key risks, as well as the adoption of preventive treatment actions for excessive exposure to risks (regarding the established tolerance of risk);
 - the establishment of a wide set of mechanisms for periodical reporting of key risks, at group and Business Unit level, thus allowing a regular monitoring of the evolution of actual and emerging risks, and comparison of the exposure to different risk profiles within the established limits;
 - the adoption of a risk governance model based on three independent lines of defense (business, risk/ compliance and internal audit), which guarantees the implementation of the established strategies and alignment with risk appetite;
 - the definition of an internal framework for risk appetite, approved by Executive Board of Directors.
- the periodic reporting to the EBD and GSB of risk indicators and limits aligned with the group's strategy and performance metrics.

The framework of risk appetite in EDP group is structured around four pillars:

- The governance model identifies the key actors in the process of risk appetite and their responsibilities;
- The risk appetite statement formally defines a set of risk appetite statements complemented by risk indicators and thresholds. In terms of positioning, the group establishes maintaining a controlled risk profile as a fundamental pillar of its strategy;
- The monitoring and follow-up, defining the key processes of monitoring, update and action plan;
- And the technological platform, embodied in a risk appetite dashboard that allows the follow up of risk appetite in EDP group. The group is exposed to a number of risks inherent to its dimension and diversity of business and geographies where its present, recognizing the risk assumption as an integrant and inevitable component of its activity, as a threat and opportunity.

² Including, among others, the Enterprise Risk Management Policy, the Risk Appetite Framework Policy, the Limits Structure of the Energy Management Business Unit, the Financial Management Policy, the Counterparty Policy, the Insurable Risk Management Policy, the Occupational Health and Safety Policy, the Information Security Policy, and the Principles, Structure, and Procedures for Crisis Management and Business Continuity.

2.3.5. Risk appetite statement of EDP group

1 st level statement	2 nd level statement	KRI (Objective)
Balanced business Controlled risk utility, with a strong share of regulated/ LT contracted activities, diversified both geographically and across the value chain, with a strong growth focus on renewables	GEOGRAPHICAL CONCENTRATION Geographical diversification and focus in geographies/ markets with reduced country risk.	EBITDA concentration (market/ emerging countries, sovereign rating) Market share per market / country
	BUSINESS SEGMENTS Diversified portfolio across the value chain (generation, grids and retail) with a strong growth focus in medium to long-term viable renewable generation.	EBITDA per technology Residual life of generation assets CAPEX in low TRL (Technology Readiness Level)
	REGULATED/ LT CONTRACTED Activity focused mainly in regulated or long-term contracted operations.	EBITDA regulated / LT contracted Gross Margin@Risk Contracted residual life of generation assets
	ST ENERGY MARKET POSITIONING Controlled short-medium term energy market risk and limited proprietary trading exposure.	Value@Risk of portfolio Net position per market
	REGULATORY MONITORING Foresight of possible high impacting regulatory/ political changes in current portfolio and potential new geographies.	Regulatory rating Expected loss from regulatory risk
Solid financials Credible business plan with sound financials, aiming for a solid investment grade rating and sustainable dividend policy.	RATING Alignment between business and financial profiles to target a solid Investment Grade.	LT rating, FFO / ND and ND / EBITDA Business profile scoring EBITDA concentration (business, country)
	DIVIDENDS Predictability and sustainability of dividend policy as a fundamental element of the shareholders' value proposition.	Payout ratio Payout ratio P95%
	LIQUIDITY Maintenance of liquidity reserves enough to cover cash needs in short-medium term in times of stress.	Survival period Debt redemption per year Liquidity in cash
	FINANCIAL MARKETS RISK Proactive management of the exposure to financial markets, namely FX and IR, controlling the impacts on the business activity. Investments are financed in local currency if possible.	FX: Loss in net investment (P95%), EBT@Risk and equity in non-EUR not covered by NIH IR: Floating ratio per currency, EBT@Risk and Debt NPV change vs. duration target
	CREDIT & COUNTERPARTY Controlled exposure to credit & counterparty risk, favouring higher rated counterparties.	Total EL of aggregate portfolio Due debt as % of sales Exposure (Top10 and non-Investment Grade counterparties)
INVESTMENT PLAN EXECUTION Investment in projects with an attractive risk adjusted profitability, limited market exposure and short time to cash.	IRR / WACC Contracted NPV for generation EBITDA in very high country risk scoring CAPEX gap to target	
SOCIAL LIABILITIES Full coverage of funded social liabilities, through a diversified asset portfolio of limited duration gap, with new pension plans as defined contribution.	Funded Pensions coverage ratio Value@Risk asset-liability position Duration mismatch	

1 st level statement	2 nd level statement	KRI (Objective)
<p>Leader in innovation, sustainability & reputation</p> <p>Leader in innovation, sustainability and trust for all stakeholders.</p>	<p>ENVIRONMENTAL SUSTAINABILITY Reference in the energy transition, with performance recognized by independent international entities.</p>	<p>Reduction of CO₂ emissions Renewable installed capacity</p>
	<p>INNOVATION Follow-up on key technological developments in order to remain competitive and optimize value creation.</p>	<p>CAPEX digital</p>
	<p>REPUTATION & ETHICS Assurance of top reputation among peers and an exemplar ethics track record.</p>	<p>Scoring in ESG indexes (DJSI, MSCI, CDP, Sustainalytics), and RepRisk Ethisphere certification</p>
	<p>CLIENT SATISFACTION Assurance of distinctive levels of global client satisfaction.</p>	<p>Client satisfaction scoring Number of complaints</p>
	<p>EMPLOYEE SATISFACTION Maximization of employee engagement and healthy working environment, within a flexible organization.</p>	<p>Engagement and Enablement scoring of employees</p>
<p>Operational excellence</p> <p>Prudent operational management, following best-practices and preventing business disruption.</p>	<p>PHYSICAL ASSETS UNDER DEVELOPMENT/ CONSTRUCTION Excellence in project management, limiting risk of CAPEX deviation and COD delays, allowing the fulfilment of the investment plan.</p>	<p>CAPEX deviation COD deviation MW built gap to target</p>
	<p>AVAILABILITY AND INTEGRITY OF PHYSICAL ASSETS Prudent O&M and security of physical assets, complemented with insurance and contingency and recovery planning, guarantying limited operational losses, outstanding quality of service and assets availability.</p>	<p>Losses on physical assets after insurance Unavailability of grid due to extreme events QoS indicators (TIEPI, SAIDI) Loss ratio</p>
	<p>TECHNICAL AND NON-TECHNICAL ENERGY LOSSES Control of technical and non-technical losses in the power grid through adequate technology, maintenance, operation and fraud anticipation processes.</p>	<p>Losses (total, technical and non-technical)</p>
	<p>PROCESSES Pursue of increasingly efficient and adequately controlled processes and, for business critical and intersecting processes, assurance of business continuity and recovery under abnormal/disruptive situations and minimization of procedural errors.</p>	<p>Global KPI Digitalization Critical processes with Business Continuity strategies, by BU</p>
	<p>SUPPLY CHAIN Reinforcement of the effectiveness, sustainability, resilience and continuity of the supply chain, providing service excellence to customers and partners in a secure manner, while ensuring supplier compliance.</p>	<p>Purchase volume from critical suppliers (inc. with ESG assessment and performance evaluation)</p>
	<p>LEGAL/ COMPLIANCE Zero tolerance to illegal behaviour or deliberately and consciously non-compliance with norms and/or regulations, integrity standards and contractual obligations.</p>	<p>Passive contingencies and provisions Implementation of Internal audit recommendations Internal training on compliance matters Counterparty integrity risk</p>
	<p>FRAUD Zero tolerance to fraudulent behaviours, performed by any employee of the company, as well as suppliers and other related third parties.</p>	<p># of complaints and non-conformities associated with the risk of fraud</p>
<p>HEALTH & SAFETY Zero tolerance for health and safety incidents with employees, external contractors or other third parties. Development of preventive policies and measures and conduct of awareness actions, supported by dedicated area.</p>	<p>Frequency and severity rate of work accidents (inc. fatalities) with employees, external suppliers and third parties Incidence of COVID-19 cases and % of employees vaccinated against COVID-19</p>	

1 st level statement	2 nd level statement	KRI (Objective)
	<p>SECURITY, CONFIDENTIALITY, INTEGRITY AND AVAILABILITY OF SYSTEM Prudent management, targeted maintenance, security and availability of IT and OT systems and related services, ensuring resiliency capability under abnormal/disruptive situations.</p>	<p>Recovery time System or services unavailability # events/ incidents of data security Rating BiTSightSecurity Losses after insurance with cyber attack Data privacy breaches</p>

2.4. Strategic priorities

In today's world, businesses are confronting an array of unprecedented challenges, which are presenting difficulties on a global scale. The rapidly changing circumstances are making it more crucial for organizations to proactively manage risks and seize opportunities to adapt quickly to the uncertain environment. As a major energy sector player, EDP understands the significance of responding to these changes. With its strategic plan in place until 2025, EDP is dedicated to investing in new technologies, expanding its renewable energy portfolio, and promoting energy efficiency and sustainability. These measures are essential in enabling EDP to achieve its vision of becoming a leader in the energy transition.

Vision

EDP's vision is to be a leader in the energy transition, while creating superior value. To achieve this, EDP is strategically positioning itself with a low-risk, cross-diversified and resilient profile, which enables the company to create distinctive conditions for the execution of a value-creation strategy in the challenging context of low ecological footprint leveraged in sustainable growth.

By prioritizing sustainability and innovation, EDP is committed to being at the forefront of the energy industry and aims to create value for all stakeholders while minimizing its environmental impact. With its forward-thinking approach and strong focus on sustainability, EDP aims to drive the energy transition and contribute to a more sustainable future.

Strategic Pillars

Based on its Vision, EDP has identified three strategic pillars:

- Accelerated and sustainable growth
- Future-proof organization
- ESG excellence and attractive returns

EDP aims to achieve accelerated and sustainable growth by stepping up its green initiatives and building a distinctive, resilient portfolio that can meet the challenges of climate change while maintaining a solid balance sheet. This will enable EDP to accelerate investment and growth while adopting a sustainable capital approach. The asset rotation strategy is a key

pillar in our growth, as it allows to crystallize value upfront and recycle capital back into the business.

The focus on building a future-proof organization will drive the EDP of the future. We are committed to developing an agile, global, and efficient DNA for the company while maintaining tight cost control. A talented and empowered workforce is key to driving the company forward, and we believe that providing the right incentives to our workforce triggers more innovation and enables us to be a better company.

EDP will continue to prioritize its commitment to environmental, social, and governance (ESG) practices while delivering strong financial returns. As part of a green leadership position, the company is firmly committed to the energy transition and will work towards being coal-free by 2025 and achieving carbon neutrality by 2030. EDP recognizes the importance of ensuring that this transition is fair and equitable for all stakeholders, including employees and the communities in which operates. The target of EUR 1.2 billion net income by 2025, with a minimum floor of €0.19 per share for this period, reflects the dedication to both financial performance and social responsibility.

Strategic guidelines compliance

In the following pages are the main objectives and strategic goals of the group defined for the period 2021-2025.

Strategic Axes	Objectives	Target 2025	Status 2022	
Accelerated and sustainable growth	<ul style="list-style-type: none"> • Step-up growth in renewables, accelerating ownership and asset rotation strategies • Focus investments on RES & Networks in EU and USA • Target a BBB rating in the short term (maintaining a sustainable leverage) 	• CAPEX in energetic transition	€24 B	€4.3 B
		• Gross additions	20 GW	2.2 GW
		• Asset rotation	€8 B	€2.0 B
		• EBITDA ¹ in 2025	€4.7 B	€4.5 B
		• FFO / NET DEB ²	> 20%	20%
Future-proof organization	<ul style="list-style-type: none"> • Evolve organization to be more global, agile and efficient • Strengthen focus in innovation and promote a digitally enabled organization 	• Efficiency program savings	≈ € 230 M	≈ € 115 M
		• TOTEX in digital and innovation	€ 2 B	€ 0.5 B
Attractive returns and ESG excellence	<ul style="list-style-type: none"> • Step-up a green leadership positioning and being a reference in ESG • Deliver a sustainable EPS growth and an attractive dividend policy 	• Coal-free ³ by 2025	0%	10%
		• Net Profit ¹ in 2025	€1.2 B	€0.9 B
		• Minimum dividend per share	€0.19	€0.19

1 - Recurring figures. 2 - FFO/ND with a formula consistent with the methodology of rating agencies, considering EDP's definition of recurring EBITDA. 3 - Coal installed capacity/total installed capacity.

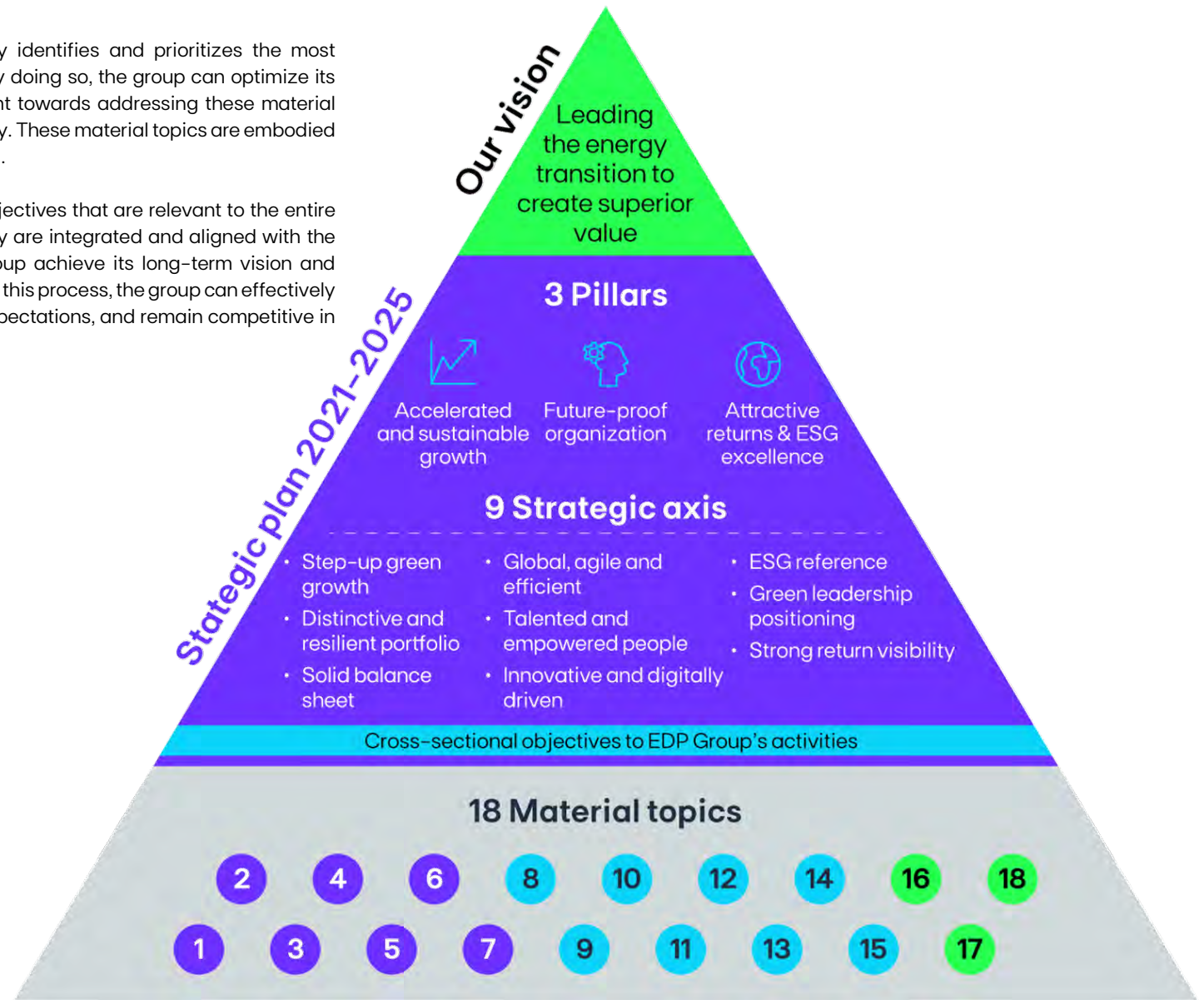
Strategic Axes	Objectives	Target 2025	Status 2022	SDG
Accelerated and sustainable growth	• Renewables generation (%)	≈ 85	74	7
	• Fleet electrification (%)	>40	15	7
	• EV charging points installed (#)	>40,000	6,010	7
Future-proof organization	• Revenues aligned with EU taxonomy (%)	≈ 70	54	7
	• Scope 1 & 2 emissions (gCO ₂ e/kWh)	≈ 100	160	7
	• Total waste (kt)	118	335	12
	• SDGs social investment (EUR Mn)	50	27	11
	• Top quartile in ESG rating performance	✓	✓	—
Attractive returns and ESG excellence	• Employee engagement (top tier company)	✓	✗	8
	• Female overall (%)	30	27	5
	• Accident Frequency Rate	1.55	1.84	8
	• Female on leadership (%)	30	28	5
	• Top management ESG & equity linked compensation	✓	✓	—
	• Cybersecurity (rating bitsight)	Advanced	Advanced (810)	11



Strategic alignment

Through the materiality process, the group carefully identifies and prioritizes the most important topics for both society and the business. By doing so, the group can optimize its strategic direction and direct its internal management towards addressing these material topics to integrate them into the group's overall strategy. These material topics are embodied in the three strategic pillars of the current business plan.

Based on these strategic pillars, the group defines objectives that are relevant to the entire scope of the group's operations and ensures that they are integrated and aligned with the strategic axes. These objectives aim to help the group achieve its long-term vision and contribute to the group's ongoing success. By following this process, the group can effectively manage its resources, respond to evolving societal expectations, and remain competitive in the market.



2.5. Contribution to the SDGs

EDP is committed to addressing the United Nations' Sustainable Development Goals (SDGs) and has set concrete goals for nine of the 17 SDGs. Through its core business, the company is directly impacting SDGs 7 (Clean and affordable energy), 9 (Industry, innovation and infrastructure), 11 (Sustainable cities and communities), and 13 (Climate action). In particular, the €24 billion investment program in the 2021-2025 period highlights the company's commitment to these goals.

EDP is also ensuring that its strategy contributes to stakeholders achieving balance in the three areas of sustainability, thereby contributing to other SDGs such as SDG 5 (Gender equality), SDG 8 (Decent work and economic growth), SDG 12 (Responsible consumption and production), SDG 15 (Life on land), and SDG 17 (Partnerships for the goals).

In June 2021, EDP Energias de Portugal joined the UN Global Compact CFO Task Force for the SDGs, demonstrating its commitment to implementing the SDGs and publicly disclosing progress in achieving them. Since then EDP has carried out several activities that show this

alignment, highlighting in 2022: (1) the communication on progress with the 4 principles of the CFO Task Force UNGC, (2) the dissemination of the CFO video that shows how EDP follows the path of decarbonization, (3) participation in meetings and events, and (4) the contribution to the profile of the macro-sector of utilities.

The company reports publicly on its progress towards its sustainability goals and links them to the respective SDGs on its [website](#).

Materiality

- 1 Climate Change

- 2 Promoting Renewable Energy

- 3 Innovation and Digital Transformation

- 5 Decarbonization Solutions

Strategic plan

24B€ Investment

C19.2B in renewables (to deploy ~20 GW) to support carbon neutrality by 2030

C3.6B in networks, for further grid digitalization and resilience and with quality to support our path to lead the energy transition

C1.2B in client solutions and energy management to support the decarbonized consumption and promote low carbon and energy efficiency products and services

Sustainable Development Goals



Indirect contribution



Our energy



Performance

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Business area analysis	66
Group's financial analysis	72
Share performance	76
Sustainability	81



3.1. Markets and regulation

3.1.1. Fuels in the world and Europe

The **commodities' market in 2022** was marked by **high volatility**, impacted by multiple factors from the demand and supply sides. Prices started trending upwards in 2021, as a faster than expected economic recovery led to a growth in fuel demand that was not fully met by supply, and this imbalance was severely aggravated by Russia's invasion of Ukraine in February of 2022, with a stronger impact felt in Europe. Pressure on commodity prices coupled with disruptions in the global supply chains contributed to high inflation levels, which have begun to ease by November.

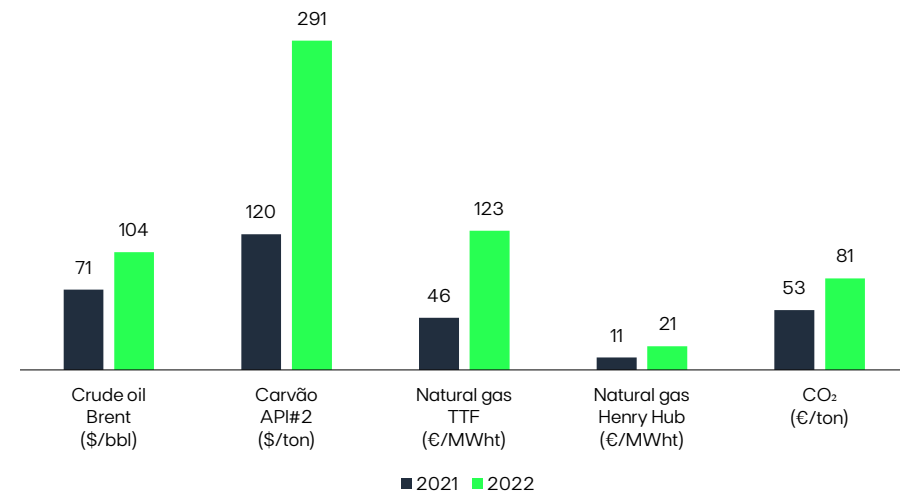
The average price of **Brent crude oil in 2022 was 104 dollars per barrel** (\$/bbl). With a reference of 70 \$/bbl at the start of 2022, the price increased in the first trimester due to a **lower than expected increase in production from OPEC+** (Organization of the Petroleum Exporting Countries and associates) and the impact of the Russian invasion of Ukraine, reaching a maximum of 135 \$/bbl in June. However, in the third and fourth trimesters, China Covid restrictions and a slower global demand contributed to a price decrease, with the year ending with Brent at 83 \$/bbl.

Natural gas experienced the highest volatility of all key fuel commodities, especially in Europe. The European reference gas index (TTF) price at the beginning of the year was 86 €/MWh, and it reached 204 €/MWh in March, as Russian exports began to be curtailed. **The rush to replace Russian gas and fill the European gas reservoirs** drove the price even higher in competition with JKM for liquefied natural gas (LNG), and the TTF reached a record of 309 €/MWh in August. As European storage levels reached the European Union's set targets, and milder than expected temperatures persisted late in the year, prices remained volatile with a low of 29 €/MWh in October but increasing to a maximum of 128 €/MWh by December. **The average annual price was 123 €/MWh.**

API#2, a widely used European price reference for coal, started the year at 120 \$/ton, but the onset of the war in Ukraine led to a significant jump in price, reaching a peak of 439 \$/ton in March due to **reduced coal exports from Russia**. However, the final trimester of the year saw bearish pressure on the market, and the API#2 price fell to 234 \$/ton by the end of the year. Despite this fluctuation, **the average price of API#2** throughout the year was approximately **291 \$/ton, significantly higher than the 122 \$/ton for the year of 2021.**

The **carbon price in Europe in 2022** saw a mix of **ups and downs** throughout the year, averaging **81 €/ton**. Several events led to fluctuations in the price, with the lowest price of 57 €/ton registered in March. In August, the price briefly reached 99 €/ton due to the **typical reduction in primary auctions**, which resulted in a surge in demand in the secondary market. This price point represented the historical maximum and highlighted the **influence of market dynamics on the price of CO₂**.

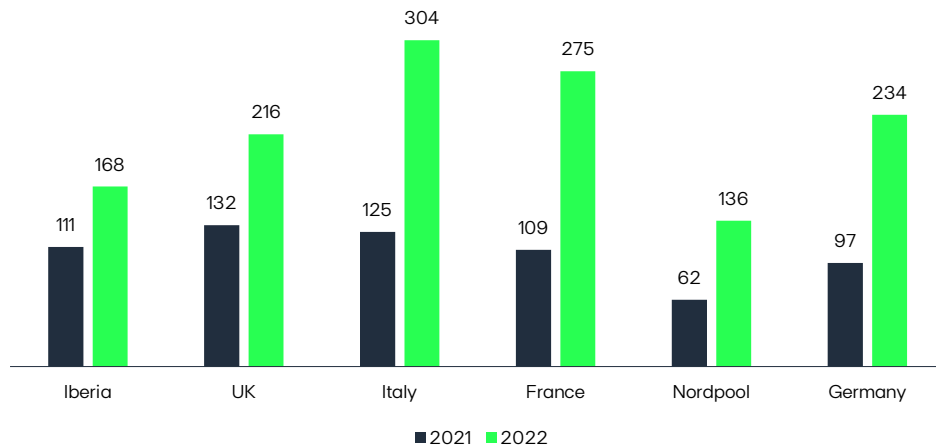
ANNUAL COMMODITIES AND CARBON PRICES EVOLUTION



Source: Reuters, ICE

The **wholesale power prices** in several **European markets** had a **strong increase** throughout 2022, mostly reflecting the **escalation in natural gas prices**, but also, even if at a lower degree, the CO₂ price. In Spain and Portugal, the **Iberian exception mechanism** led to a **lower pool value** than the rest of the European countries, with an average of **168 €/MWh**. Most of the markets registered values significantly higher, with **France** reaching a **historical high of 3000 €/MWh** in April due to several **outages in their nuclear fleet** and ended the year with an average of 275 €/MWh.

ANNUAL EUROPEAN MARKETS POOL PRICE EVOLUTION (€/MWh)



Source: OMIE, Nordpool, GME, Reuters.

3.1.1.1. Macroeconomic context

Inflation was a major talking point this year. **The average inflation in the Euro Zone was 8.4%**, a significant increase from the 2.6% registered last year. This very high value was mainly driven by the **high energy prices**. To tackle this, many countries applied extraordinary measures in order to contain the impact of the escalation of energy prices in the wholesale markets. For **Portugal**, the **average yearly inflation** was slightly below the Euro Zone with **+7.8%**, while Spain was in line with the European average, registering **+8.3%**. **The real GDP in 2022 increased by 6.7% and by 5.5% year-on-year, in Portugal¹ and in Spain² respectively**, pushed by private demand from families and by private investment.

In Brazil, on the other hand, the inflation was 5.9% in November 2022, a **reduction** compared to 2021's inflation value (10.06%) which was the highest level in 6 years. **The accumulated GDP³ in the four quarters ending in September 2022 increased by 3.0%** compared to the immediately previous four. In this period, industry (+0.8%) and services (+4.4%) had a growth, while agriculture fell by 1.31%. However, comparing just the third quarter of 2022 with 2021,

the **GDP growth was 3.6%**. Industry had an increase of 2.8%, whose 11.2% represents electricity and gas segments, and waste management activities with “cheaper tariffs” (green energy flags) contrasting with the hydro crisis in 2021. Services (+2.8%) and farming (+3.2%) also increased.

3.1.2. Energy and environmental policy in Europe

To address the disruptions in the commodity markets and security of supply concerns, the **European Commission presented the REPowerEU plan** on May 18th. The plan aims to turn the European energy system into a more **resilient** one, by accelerating the energy transition and **reducing the European Union's dependence on Russian fossil fuels**. To achieve that, the REPowerEU plan lies on **four main pillars**: accelerate the energy transition, diversify energy sources, save energy, and smart investments.

The plan considers several **short-term measures** to address the gas supply concerns, and also **medium-term actions**, including the definition of more ambitious renewable and energy efficiency targets for 2030.

Regarding the share of renewables in demand, the REPowerEU plan proposes setting a target of **45% share for 2030**, five percentage points above the Fit-for-55 target. This higher ambition is expressed in the different sectors, with specific targets for each of them: 69% for the power sector, 46% for heating and cooling, and 32% for transport.

In the power sector, the plan foresees reaching a total of 1,236 GW of renewable capacity by 2030, of which **592 GW of solar PV capacity and 510 GW of wind**, a multiple of 2.5 versus today. Accelerating the capacity deployment will require **speeding up permitting processes**, and the plan proposes establishing a maximum period for renewables permitting of 1 to 2 years and creating “go-to” areas which are specific locations designated as suitable for the installation of renewable plants.

An ambitious target of **20 Mton of green hydrogen by 2030** was also set in the plan, which foresees 10 Mton of internal EU production and 10 Mton of imports.

¹“Instituto Nacional de Estatística” of Portugal

²“Instituto Nacional de Estadística” of Spain

³“Instituto Brasileiro de Geografia e Estatística” (IBGE).

In terms of **energy savings**, the REPowerEU plan proposes **an efficiency target of 13% versus 9% in the Fit-for-55**.

The REPowerEU plan requires an additional **€210 billion in investment through 2027** on top of the Fit-for-55 package. This includes, among others, **€113 billion for renewables and key hydrogen infrastructure and €56 billion for energy efficiency and heat pumps**.

Some of the measures proposed by the European Commission already received the **agreement of both the European Parliament and the European Council**, and counterproposals, as in the table below.

REPOWEREU	APPROVAL STATUS	
EUROPEAN COMMISSION PROPOSALS	EUROPEAN PARLIAMENT	EUROPEAN COUNCIL
Renewable energy target of 45% by 2030	✓	Proposal of 40%
Permitting processes maximum period & 'go-to' areas implementation	✓	✓
Energy efficiency target of 13% by 2030	Proposal of 14.5%	

During the year 2022, some progress was made in the approval of the Fit-for-55 package. Not only targets were revised to incorporate the REPowerEU plan, as stated previously but also **some steps forward were taken**, namely:

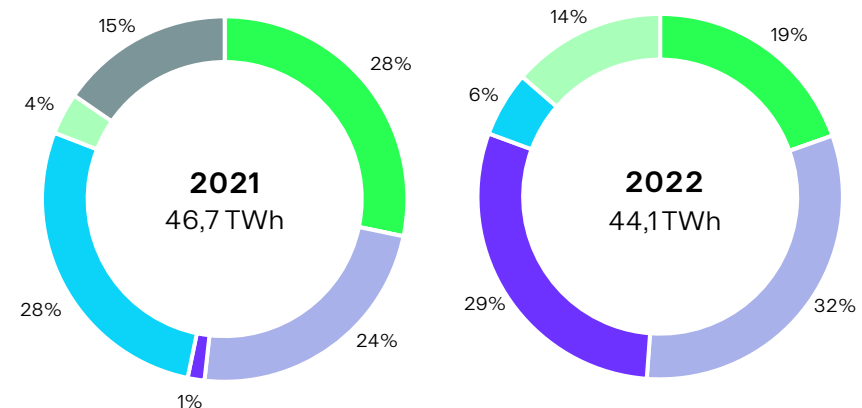
- a **provisional deal on the revision of the Emissions Trading System (ETS)** was reached between the European Parliament and the Council, with an upward revision proposal of the **emissions reductions** target from 61% to **62%**. This corresponds to a reduction from 2005 to 2030 in the emissions from the sectors covered by ETS
- a **provisional agreement on the Carbon Border Adjustment Mechanism** was reached between the European Parliament and the Council, establishing a mechanism that taxes **CO₂ emissions from imported goods** coming from outside the EU
- an agreement on the CO₂ emissions standards for cars and vans was reached between the European Parliament and the Council, establishing the **target of a 100% reduction in CO₂ emissions by 2035**, which implies the end of internal combustion engine cars and vans sales by then

3.1.3. Iberian Peninsula

3.1.3.1. Evolution of the electricity sector

In 2022, **electricity consumption in Spain fell significantly**, reaching a 20-year low due to the combination of **high electricity prices** and **lower industry demand**, the sector with the most sensitivity to price volatility. In Portugal, electricity demand was higher than in 2021 even surpassed 2019 levels.

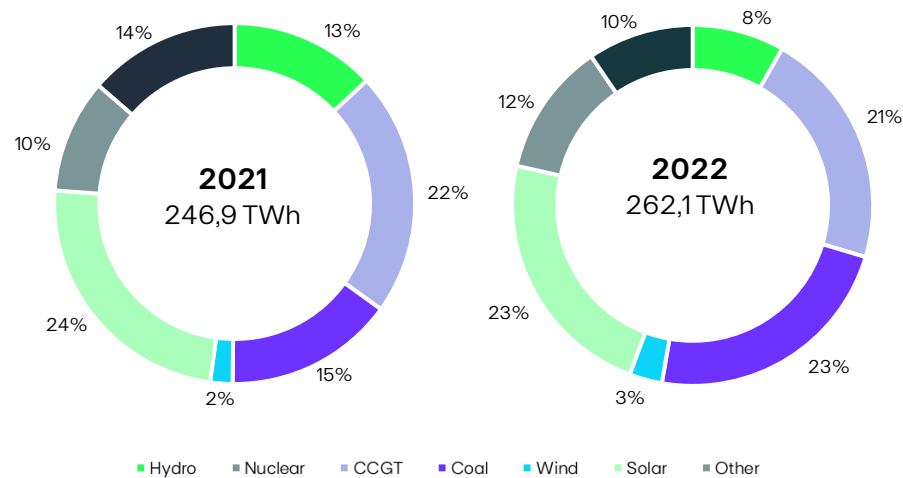
- **Portugal: +1.8%** annual demand increase (+2.4% adjusted for temperature and business days effects)



Source: REN

■ Hydro ■ Nuclear ■ CCGT ■ Coal ■ Wind ■ Solar ■ Other

- Spain: -2.9%** annual demand reduction (-3.8% adjusted for temperature and business days effects), with a strong decrease in the last trimester of -7.5%



Source: REE

Regarding electricity generation, 2022 was a year with **very low hydro inflows in the Iberia Peninsula** as the hydro production index (IPH) stood at 0.6 in Portugal and 0.7 in Spain. The **low hydro availability and higher exports to France**, following the implementation of the Iberian gas cap mechanism, led to an **increase in the gas and coal generation**.

Renewable generation supplied **57% of power energy in Portugal in 2022**, with wind generation representing 29% of the total, while hydro's share stood at 19%. In **Spain, renewables** supplied almost **44% of the electricity demand**, with the increase in solar generation (+25% YoY) partially replacing the lower hydro output. In Portugal, despite the increase in demand (+1.8%), electricity generation was 5.7% lower, leading to a rise in imports.

3.1.3.2. Regulatory Framework

Portugal

On 14 January, Decree-Law 15/2022 was published, establishing a new organisation and management of the National Electricity System (SEN).

To mitigate the high energy prices in Portugal, following the **energy crisis** exacerbated by the Russia-Ukraine conflict, the Portuguese Government has approved several measures, namely:

- the extraordinary and temporary mechanism for adjusting the costs of electricity generation in the MIBEL ("Iberian Mechanism")
- the suspension of the competitive equilibrium mechanism ("Clawback") during 2022
- the suspension of ISP and CO₂ added tax in the last quarter of 2022, as well as their prorogation in 2023
- a reduction of the VAT rate in electricity supply according to the consumption tiers (to the reduced VAT rate)
- the Energy Saving Plan 2022-2023 ("Plano de Poupança de Energia 2022-2023")

With impact on the **generation activity**, in response to the severe drought experienced in Portugal's mainland for most of 2022, a **Hydro Strategic Reserve** ("Reserva Estratégica Hídrica") was set and a **temporary suspension** of the use of water resources of 15 hydropower plants (13 belonging to EDP) from 1st of October 2022, until the minimum levels of storage of their useful capacity are reached, fixed administratively.

Concerning the **retail activity**, the status of **Electro intensive Consumer** ("Estatuto do Cliente Eletrointensivo") was established and measures were approved to **simplify and provide flexibility to several tax and declarative obligations** arising from the sale to the grid of the surplus of electricity produced for self-consumption.

An exceptional and temporary measure was also approved allowing the return to the regulated tariffs to final consumers with gas consumption equal to or below 10,000 m³, and additional obligations were imposed on operators considered dominant (market share exceeding 20% in volume or number of customers), in particular, to promote continuity of supply.

Within the scope of **renewables**, the targets for energy consumption from renewable sources were established, partially transposing Directive (EU) 2018/2001.

Several extraordinary measures for the **simplification of licensing procedures** for energy production from renewable energy sources were also approved (in line with the REPowerEU Plan proposed by the European Commission).

In the **electricity tariffs**, the regulator (ERSE) proceeded with **two updates to the energy tariff** during 2022, reflecting a 5 €/MWh increase from April 1st and October 1st onwards, and an extraordinary tariffs settlement in the 2nd semester of 2022, establishing an average reduction of the network tariffs (TAR) of 102% and an increase of the energy tariff of 23%. For 2023, a transitory tariff to the end user in the normal voltage network (BTN) increase of 3.3% was approved and an average decrease of TAR of 506%.

Regarding the **electricity sector tariff debt**, the tariffs foresee an ex-ante debt of 879 million euros by the end of 2023, a reduction of 830 million in comparison with the end of 2022. A tariff debt reduction has been observed since 2015, the year in which it reached its peak, according to the sector's sustainability target.

Related to the **gas tariffs**, ERSE proceeded with two updates to the energy tariff during the gas year 2021–2022, a 2 €/MWh increase from April 1st and July 1st. The gas tariffs for the year 2022–2023 were also approved, in force from October 1st 2022, until September 30th, 2023, with an increase of the transitory tariff to the end user in low pressure of 8.2%, which suffered a first quarterly update with an increase of 2€ /MWh in force from January 1st, 2023, onwards.

Spain

Given the current crisis resulting from the conflict between Russia and Ukraine, the **main measures** taken have been aimed at **reducing the impact of the rise in energy prices**, as well as **encouraging savings** and **promoting renewable energies**.

As main **consumer protection measures**:

- **fiscal measures were extended** until the end of 2023: **VAT reduced to 5%** for electricity and gas, **special tax of 0.5%** on electricity, and **temporary suspension of the Tax on the Value of Electricity Production (IVPEE)**

- a **new mechanism for financing the social bonus** was regulated so that all parties in the electricity sector will have to pay it. The range of vulnerable consumers with the right to the social bonus was extended
- a new **Tariff of Last Resort (TUR)** was established for community heating systems in force until the end of 2023, which will be financed by the General State Budget 2023 (3,000 million euros).

As **measures to protect industry**:

- the **80% reduction in tolls** for the electro-intensive industry was maintained until June 30th, 2023, and the **flexibility of natural gas** supply contracts was regulated
- the **gas reduction mechanism** was extended until the end of 2023 and its scope of application was extended to energy contracted at a fixed price if the price is higher than 67 €/MWh, excluding coal and RECORE
- in May, a **temporary adjustment mechanism** was established for **the production cost of marginal fossil fuel technologies**, which aims to obtain a reduction equivalent to this adjustment in the bids made by these technologies on the market. The amounts corresponding to this adjustment are financed by those consumers who benefit from the aforementioned reduction.

As **measures to promote renewables and reduce consumption**:

- regulation aimed at **administrative simplification in processing**, commissioning, and injection is formulated. In self-consumption, the distance between production and consumption is extended to 2 km, and the minimum time of permanence in a modality is reduced to 4 months. In addition, for low voltage self-consumption installations of up to 100 kW with surpluses, a maximum period of 2 months was set for the activation of the contract. If this period is exceeded, the consumer will receive a "discount for the delay in the activation of self-consumption", which must be expressly stated on the bill
- distributors were temporarily obliged to include in their annual investment plans **actions to increase capacity for access to new renewable generation and self-consumption**
- Measures associated with the **use of basic underground storage facilities** were established for the 2022 gas year
- the Council of Ministers approved the **Plan + SE**, which aims **to reduce gas consumption** by between 5.1% and 13.5%, improve energy autonomy, and increase the competitiveness of the economy and energy exports, in solidarity with the rest of the EU
- in September, an **active demand response service was created**, configured as a specific balancing product with annual contracting by auction

- regarding the rest of the regulatory measures, **electricity storage is assimilated to generation** for the purposes of its processing, and RD 413/2014 is amended to allow the **installation of storage associated with RECORE**
- the processing of **modifications to installations in the gas system network** to adapt them to the injection of renewable gases was eased and Law 34/1998 on Hydrocarbons and RD 1434/2002 were amended to facilitate the connection of direct lines for renewable gases
- the general framework of the regulatory sandbox for the promotion of **research and innovation in the electricity sector** was established

In addition, a **temporary levy** on energy and credit institutions was approved in December, to be applied in 2023 and 2024 based on the results of 2022 and 2023. It is a non-deductible levy, and it will be calculated as **1.2% of the net turnover of the activity carried out in Spain**, excluding regulated activities. Neither the total amount payable nor the initial payment may be passed on.

Regarding the **distribution activity**, on 31 May, Order TED/490/2022 was published, implementing the Supreme Court ruling in relation to the declaration that Order IET/980/2016, of 10 June, which establishes the **remuneration of electricity distribution companies** for 2016, is detrimental to the public interest. In addition, Order TED/749/2022, of 27 July, approves the **incentive or penalty for the reduction of losses in the electricity distribution network** for 2016, modifies the base remuneration for 2016 for several distribution companies, and approves the remuneration of electricity distribution companies for 2017, 2018 and 2019.

3.1.4. EDPR Markets

3.1.4.1. The evolution of renewables around the world

Wind

In 2022, **wind capacity additions** were around **95–98 GW**, according to energy analysts⁴. Of this, around **90% was onshore wind** (84–88 GW) and the remaining capacity was offshore (9–13 GW). Although wind global **net capacity added to the power system in 2022 remained fairly the same as in 2021**, the additions on onshore technology were significantly higher than offshore.

Overall, China remains the largest wind market, although additions have dropped from last year's record-breaking figures. According to the National Energy Administration (NEA), **China added 37.6 GW of wind power**, down 21% in annual terms, due to the end of subsidies to offshore projects and to the imposed restrictions associated with the Covid-19 pandemic.

In the USA, sources point to **10–11 GW of onshore wind capacity** installed in 2022. This is a **slowdown compared to previous years**, which is mainly explained by the phase-down of the Production Tax Credit (PTC) prior to the approval of the Inflation Reduction Act (IRA).

Onshore wind installations in the European Union represented around **90% of the total** of 15 GW, according to Wind Europe, with **Germany, Sweden, Finland, Spain, and France leading** the ranking. Regarding offshore, **France** commissioned its **first wind farm** with a capacity of **500MW**, while the **UK added 3 GW** to the energy system, one of the countries **ranking highest** in terms of offshore wind additions.

Meanwhile, in Latin America, **Brazil** was likely the largest market in 2022, with wind experts pointing to **around 3 GW of new onshore wind additions**.

All analysts highlighted the challenges faced by the wind industry. The **difficulties felt on the supply chains** across the globe affected the wind deployment rate, and the **higher cost of materials** and **turbine components** caused disruptions in the business of turbine manufacturers. Besides the 2022-specific challenges, the constraints felt before 2022 are

⁴Experts consulted include GWEC, IHS Markit, Bloomberg New Energy Finance, Wood Mackenzie, IEA, Wind Europe, and the American Clean Power Association, among others

still being tackled, namely the **slow and bureaucratic permitting processes** – acknowledged by many analysts to be **one of the main obstacles to a faster deployment of onshore wind**.

Solar PV

Solar PV reported additions were very distinct from source to source with a range of **206 to 268 GW of new capacity in 2022**. In any case, the capacity additions of 2022 surpassed the **200 GW milestone**, confirming analysts' expectations from last year.

China remains the **largest solar PV market worldwide** and once again achieved a new historical high in new installations, with **87 GW added** according to the National Energy Administration (NEA). Currently, **almost 90% of polysilicon** – a key material for solar PV modules – is produced in China, supporting the **country's dominant role** in the solar PV market.

More than **40 GW were installed in the European Union in 2022**, according to SolarPower Europe, significantly above the 28 GW installed in 2021. **Germany is the EU country driving most of the growth**, having installed **8 GW** in 2022, followed by **Spain with 7.5 GW**, Poland with 5 GW, and the Netherlands with 4 GW.

In the **US, 7 GW of utility-scale solar PV** were added in the **first three quarters of 2022**, according to data presented by the American Clean Power Association (ACP). Although overall results are positive, the preliminary data points to a **relative slowdown of the sector**, mainly explained by **trade barriers, high equipment prices**, and **ongoing supply chain constraints**, that are hindering solar energy's fast progress.

The energy experts' last estimates on new solar PV additions in **Latin America** revealed that **2022 might be a record year**. Since 2018, the region has, every year, **added more solar PV than wind**, and this trend is set to continue. The strong rise of solar PV is primarily driven by the small-scale segment. The rapid expansion of the sector was witnessed in **Brazil**, with **2.7 GW added in 2022**, according to ANEEL, and **Chile** with **1.8 GW**, according to ACERA data.

3.1.4.2. Regulatory Framework

Belgium

Belgium has implemented a **green certificate scheme (GC)** to promote the **use of renewable energy sources**. Under this scheme, wind farms receive the market price for the electricity they produce, as well as additional GCs per megawatt-hour (MWh) produced. The number of GCs per MWh (kECO) for new plants' contracts was previously revised every two years. However, due to rising electricity prices, an extraordinary revision was done in December 2021. From April 2022, **onshore wind projects will receive 0.52 GCs per MWh** instead of the current rate of 0.73 GCs per MWh.

Given the current high pool prices, **the kECO value** published in December 2022 for **new reservations in 2023 is 0 GCs per MWh**. This means that the 7%-IRR target for such units would be already reached during their lifetime without needing any GCs on top of market revenues. This is because Belgium's scheme methodology assumes long-term pool prices forecast by inflating current FWDs values. If later on, pool prices decrease in a way that GCs are needed to reach the target IRR, the GC rate will be adjusted accordingly and become again higher than zero. The minimum price for GCs is set at 65€/GC in Wallonia.

Poland

In Poland, the electricity price can be established through bilateral contracts. Wind farms commissioned before 2018 are supported through **a Green Certificate (GC) scheme**. Under this scheme, wind farms receive **1 GC per MWh during a 15-year period**. Electricity suppliers are required to comply with GC obligations and a substitution fee is imposed for non-compliance.

Since 2018, wind farms in Poland are supported by 15-year two-side Contracts-for-difference awarded through auctions.

Italy

Prior to 2012, wind farms in operation were supported by a **feed-in-premium scheme that was applicable during the first 15 years of operation**. Under this scheme, wind farm operators were given a premium on top of the market price for the electricity they produced.

In 2013, the Italian government introduced a new support mechanism for wind farms, known as the **Contract for Difference (CfD) scheme**. Under this scheme, wind farms commissioned from 2013 to 2017 were supported by a **20-year floor price**, awarded through competitive auctions. Since 2017, wind farms in Italy have been supported by a new 20-year **two-sided CfD scheme**.

Portugal

Portugal has a long history of supporting the development of wind energy. Wind farms commissioned **before 2006 are subject to a Feed-in-tariff (FiT)** whose value is correlated with production and indexed to the Consumer Price Index (CPI). The initial tenure of the FiT was the soonest of **15 years (or until 2020) or 33GWh/MW**. However, in 2013 the government introduced a tariff extension of 7 years, with a cap and floor scheme in exchange for annual payments between 2013 and 2020. This provided a level of predictability and stability for wind farm operators, allowing them to secure financing and plan for the long-term.

Wind farms under the new regime (Commissioning operation date (COD) after 2006) are subject to a **FiT for 20 years from COD or 44 GWh per MW installed**. The tariff value is also indexed to the (CPI). Additionally, since 2019, **solar projects are awarded following a new auction system**. Solar PV projects awarded in the 2019 and 2020 auctions achieved record-low prices, providing a cost-effective way for Portugal to increase its renewable energy generation.

Participants in the auction can choose among different remuneration schemes: a fixed guaranteed tariff structure (that was transformed into a CfD in the 2020 auction), a market scheme where players bid for a contribution made to the National Electric System, and, since 2020, a new system consisting of a market scheme for power plants incorporating a storage system, in which participants bid the value of the capacity payment what they would like to receive.

Spain

Under Royal Decree 413/2014, **wind energy projects receive a pool price and a premium** per MW in order to achieve a target return defined by regulation.

In 2019, the Spanish government introduced a **new support mechanism for wind farms** with the Royal Decree Law 17/2019. This law has set the target return (TRF) at 7.398% for wind farms prior to 2013 for the next two regulatory periods (until 2031) and 7.09% for new

installations for the current regulatory period (until 2026). The premium calculation is based on standard assets (standard load factor, production, and costs).

Since 2016, all the **new renewable capacity is allocated through competitive auctions**. In 2020, Royal Decree 960/2020 defined the framework for a new auction mechanism. In 2021, two auctions under the new scheme (set by RD 960/2020) were held: wind and onshore PV projects competed for 12-year fixed-price PPAs with certain exposure to market prices (5% for non-dispatchable and 25% for dispatchable RES). Participants were **awarded unidentified MWs but were requested to comply with stringent deadlines and submit a strategic plan**.

France

Old wind farms in France receive **feed-in tariffs (FiTs) for 15 years**, with values depending on their COD and load factors achieved.

In December 2016, a transitory **CfD scheme was released** in which wind farms having **requested a PPA in 2016** would receive a **15-year CfD**, with the strike price being very similar to the previous FiT. This scheme was closed in December 2019.

From 2017 onwards, the French Government introduced a **new set of rules for supporting wind farms**:

- wind farms with 6 wind turbines or less, and with a maximum of 3MW per turbine generator, can request a 20-year CfD, which strike price ranges from 72€/MWh to 74€/MWh, depending on the turbine's diameter and may include a FiT reduction when a yearly generation cap is reached. Since April 2022, an additional tip height restriction (below 132m) has been implemented
- wind farms that are not eligible for the above scheme need to participate in competitive tenders in order to obtain a 20-year CfD
- w new set of rules ("Cahier des Charges") that will govern auctions (both technology-specific and neutral) from H2 2021 until 2026 were published in August 2021

Romania

In Romania, wind assets (installed until 2013) **received 2 GW/MWh until 2017 and 1 GC/MWh after 2017 until completing 15 years**. Out of the 2 GC earned until March 2017, 1 was postponed and could only be recovered gradually from January 2018.

Similarly, solar assets received 6 GC/MWh for **15 years**. Out of the 6 GC earned until December 2020, 2 were postponed and may only be recovered gradually from 2025. The GCs are traded in the market under a cap and floor system (cap 35.0€ and floor 29.4€).

Wind assets (installed after 2013) **receive 1.5 GC/MWh until 2017 and 0.75 GC/MWh afterward until completing 15 years**. Solar PV facilities (installed after 2014) only receive 3 GC. Additionally, the GCs issued after April 2017 and the CGs postponed to trading from July 2013 will remain valid and may be traded until March 2032.

Greece

In Greece, renewable energy projects are supported by a 20-year **feed-in premium (CfD) awarded through auctions**. In 2022, Greece launched a new support system, **based on two-way contract-for-difference (CfD) contracts**, awarded through auctions. Under this system, for both onshore wind and solar installations, support will be awarded through a joint competitive tendering procedure, with minimum reserves per technology of 30%.

Hungary

In Hungary, **renewable energy projects before 2016** benefited from a **feed-in tariff** scheme ("KÁT system"). In 2016, the FiT was closed to new projects and replaced by **a new support system** ("MÉTAR system") consisting of **15-year Contracts-for-Difference (CfD)** granted through technology-neutral tenders.

United Kingdom

The United Kingdom has supported the **development of renewables through a 15-year two-way Contracts-for-difference (CfD) scheme**, awarded through auctions, since 2013. This scheme has progressively replaced the former Green Certificate.

Under the **CfD scheme**, "**established technologies**" which include onshore wind and solar PV, **compete for budgets in each allocation round**. Less mature technologies have a separate "pot" of the allocated budget. For the first time, in the **2023 auction, offshore will compete with mature technologies**.

Vietnam

In Vietnam, **onshore wind projects** were supported under **two different Feed-in-tariff (FiT) regimes**. Projects were granted a **20-year PPA with EVN**, the state utility. However, as the latest feed-in tariff was closed for new projects, a new support scheme is expected to be released soon, and most likely, competitive auctions will be introduced.

The FIT schemes are no longer available. However, a transitional scheme has been published for renewable projects that had a FiT signed but failed to commission on time. The transitional scheme would be subject to price negotiation with EVN.

Other APAC

In the Asia Pacific region, many geographies enacted **Feed-in-tariff (FIT) schemes** in the early stages of renewables development, such as Japan, Taiwan, India, and Thailand among others. However, most of these geographies are now transitioning to other schemes, **mainly auction-based systems**, and are opening up to the **possibility of private corporate power purchase agreements (PPAs)**. For example, South Korea, Malaysia, and some states in Australia are now allowing for private PPAs.

Other geographies, such as India or South Korea, have opted for Green Certificate (GC) systems, although this system has not been widely used in the Asia Pacific region.

An increasing number of geographies in the region are setting auctions to remunerate renewable projects, such as Singapore, Japan, China, some states in Australia, Taiwan, India, and Malaysia.

USA

The major update in 2022 was the passage of the **Inflation Reduction Act (IRA)** in August, the most robust federal commitment to clean energy to date. This new US law allocates **\$369 billion for energy and climate provisions**, over a 10-year period, **three times the current annual budget for energy**. The technology-neutral tax credits and other funding will push toward the energy transition, making it easier to deploy renewable energy, build out green technologies and subsidize consumer adoption from electric cars to heat pumps.

The IRA extended and expanded the clean energy tax credit system. The credit rate available for Production Tax Credit (PTC) and Investment Tax Credit (TC) can increase if labour,

domestic content, and location requirements are met. If all bonuses are met, the maximum PTC value is \$31.2 /MWh and the maximum ITC value is 60% of the capital expenditure.

One of the highlighted provisions of the IRA that is different from past energy legislation is the **domestic manufacturing credits**. These credits apply to OEMs manufacturing in the US and give a 10% bump to the ITC and PTC for projects that meet the domestic content requirement. This new proposed measure led to **several companies already publicly announcing intentions to bring solar manufacturing to the US**. Wood Mackenzie estimates an additional 15 GW of announced manufacturing capacity by 2023, while BloombergNEF tracked 28 GW of US-based module factory new announcements in 2022.

In April 2022, the **AD/CVD tariff investigation** was initiated, and it has been impacting the US solar developer's market ever since. On December 2, 2022, the **US Commerce Department has delivered a preliminary finding** that four of the eight major solar exporters it was investigating from Thailand, Malaysia, Cambodia, and Vietnam **had helped Chinese solar suppliers circumvent decade-old anti-dumping duties. However, an executive order President Joe Biden** issued in June 2022, which suspended any new tariffs resulting from Commerce's inquiry until June 6, 2024, should **blunt the ruling's impact on US solar development**.

Another key regulatory update of 2022 was the **enforcement of the Uyghur Forced Labour Protection Act (UFLPA)** on June 21st, imposing additional restrictions on solar modules made with polysilicon sourced from China's Xinjiang province. Its detentions began shortly thereafter, but even after several months, Customs and Border Protection (CBP) has not made major releases of equipment. The requirements to demonstrate compliance with the UFLPA are more rigorous than those for the Withhold Release Order (WRO) issued last fall.

Canada

In November 2022, Canada's government proposed **new tax credits for investments made in clean technology and hydrogen** in its Fall Economic Statement, hoping to keep pace with the financial support provided to manufacturers in the US through the IRA. If enacted, **a tax credit of up to 30% of the capital cost of investments made in electricity generation systems as well as a tax credit of at least 40 % for the production of clean hydrogen**, would be made available from the first day of next year's federal budget and end in 2035 and 2030, respectively.

In Alberta, in October 2022, **Danielle Smith was elected the next premier**, after winning the leadership of the United Conservative Party. Part of her initial platform was the implementation of the Alberta Sovereignty Act, which would allow the province to ignore federal laws, such as the carbon tax. However, legal experts believed the Act, as proposed, had no constitutional grounds, which is likely why days after being elected she de-fanged it. While the current regulatory construct in Albert strongly supports renewables, **this act and Smith's hostile attitude towards renewable energy brings an uncertain direction for Carbon Policy & Net-Zero in this region**.

Mexico

In April 2022, the constitutional reform to the power sector was rejected by the Mexican Congress. This proposal had been presented on October 2021 and would have granted CFE the monopoly in the electric energy value chain, taking over the regulatory activities of the industry, establishing tariffs, operating the electric dispatch, and executing the energy transition. The independent regulator of the energy sector, CRE, would have been eliminated, and the State-owned company would have acquired constitutional autonomy.

There were also updates on the **2021 Modifications to the Electricity Industry Law (LIE)**, which proposed reforms that would negatively impact the economic dispatch logic, cancelling the **Clean Energy Certificates** as well as all **generation permits and Purchase Power Agreements (PPA) for private market participants**. In April 2022, the Mexican Supreme court declared Constitutional the modifications to the Electricity Industry Law (LIE), but it also allowed legal procedures against its application. Later, in July 2022 **a federal judge granted an injunction with general effects against the LIE modification implying a return to the legal structure** before the modification for all market participants.

Brazil

Old wind farms in Brazil receive support under a feed-in program known as "PROINFA". However, since 2008, the Brazilian government has implemented a new mechanism for supporting the development of wind energy through competitive auctions. Under this mechanism, 20-year Power Purchase Agreements (PPAs) are awarded to the winning projects. Additionally, electricity may also be sold under private PPAs in Brazil.

The non-refund for solar generation curtailment caused by electrical unavailability has been an issue for entrepreneurs in Brazil, but in 2022 the National Electrical Energy Agency (ANEEL) published transition rules to calculate the **compensation for the solar plants**

constrained-off with regulated contracts. ANEEL launched the Public Consultation nº 48/2022 to discuss the regulation for this compensation including solar plants with bilateral contracts.

Considering the **end of tariffs' discounts for solar and wind power plants** established by Law 14.300/2021, the Energy Research Office – EPE and the Ministry of Mines and Energy – MME released a Public Consultation to discuss the proposal for **guidelines establishing environmental benefits for the power sector**, including the creation of a **market for carbon credits**. The outcome of the Public Consultation has not yet been published.

Colombia

In Colombia, wind farms are awarded **15-year contracts through competitive pay-as-bid auctions**. These contracts are signed with distribution companies, which guarantees the purchase of the energy produced by the wind farm.

Additionally, Colombian wind farms must secure **reliability charge contracts**, which provide a **monthly payment in exchange for having part of their capacity available** when the system is under tight supply conditions.

Chile

In Chile, the government has implemented a **system of technology-neutral auctions** to support the **development of renewable and non-renewable energy projects**. These auctions award **15-year PPAs** with distribution companies.

Additionally, large non-regulated customers can also enter into PPAs directly with generators or organize a public auction.

3.1.5. Brazil

3.1.5.1. Regulatory Framework

Regarding the **power market opening**, the Minister of Mines and Energy (MME) launched a Public Consultation to discuss the liberalization for consumers with less than 500kW load and voltage levels equal to or greater than 2.3kV, from January 2024, represented by retailers. Another Public Consultation was launched to discuss an Ordinance draft proposing the liberalization, in which low voltage consumers could choose their energy seller from January 2026 onwards represented by retailers (Residential and Rural Consumers Class only from 2028). The Ordinance for low voltage consumers' market opening has not been published yet.

In 2022, an ordinary review **of the physical guarantee (GF) of hydroelectric power plants** was made, adjusting the GF for 2023. In this process, 4 of 5 EDP's hydro plants were eligible for the review. After the end of this process, some companies positioned themselves against the critical period⁵ used in the GF's calculation. These companies took legal action, requesting MME a new calculation for their power plants using the critical period updated. If this legal action succeeds, it may worsen the GSF⁶, negatively impacting all power plants participants of the energy reallocation mechanism (MRE).

A regulatory framework was created for the development of **Distributed Generation (DG)** in Brazil. In summary, a transition period was established for the charge of levies over energy injected in the grid, signalling legal security and regulatory stability to this kind of investments, thus incentivizing clean energies. The main topics of this Law were:

- existing installations (current model up to 2045): Mini and micro-generators already established will only pay a component of the tariff over the difference, if positive, between total consumption and energy production injected in the distribution grid, up to 2045. The waiver will also apply to new investments if access to the distributor is requested within two months after the Law's publication. Only mini and micro-generators that require access to the grid until January 6th, 2023, shall benefit from the levies
- new installations (Tariff Transition): the Law created a transition period, of six to eight years, for the payment of distribution charges, with a gradual percentual increase up to 2028. The difference will be borne by distribution companies through CDE.

⁵Period of time under which the system supply goes from maximum to minimum storage, without intermediate refill, respecting some established tolerances. The critical period in hydrology is one element taken into consideration within the calculation of physical guarantees.

⁶Generation Scaling Factor

On June 27, 2022, was determined the allocation, in favour of consumers, of the amounts related to the exclusion of ICMS⁷ of the database of the PIS/Pasep/Cofins⁸. This topic was object of several lawsuits. The Law established that the allocation of referred values should be made through the tariff processes of distribution utilities, as forecast and availability of credits by the Federal Revenue Service of Brazil.

Later in the year it was determined that **transmission concessions** will be auctioned at the end of the contractual term, with the possibility of renewal only as an exception (unfeasibility of bidding or in case of any prejudice for the public interest). This Decree was preceded by a Public Consultation opened by the MME in which EDP included some contributions.

Between 2024 and 2032, twenty-four transmission concession agreements will expire. It is worth noting that EDP's first transmission contract expires in January 2043.

Given that 2021 was the year with the worst water shortage in 91 years, the House of Exceptional Rules for Hydro management (CREG) decided to put in motion a simplified auction, as an exceptional measure to ensure a fast thermal energy supply between 2022 and 2025. The **Simplified Competitive Procedure (PCS)** was held on October 25th, 2021. However, the hydrologic situation was much better than expected at the beginning of 2022, making it doubtful to dispatch the power plants that bid in PCS, since these contracts have, on average, much higher prices, overcharging the consumers. Furthermore, these contracts have a clause establishing the contract termination if the projects didn't initiate the operation until May 1st, 2022, which was the case for the greatest part of the winning projects. MME released a Public Consultation proposing a friendly termination of the PCS contracts for those who have not violated clauses that imply contract termination, without charging fines and penalties, and for those who have violated those clauses, the strict application of contractual clauses. In December 20th 2022 was published the friendly termination guidelines.

⁷ICMS – Brazilian tax on the circulation of goods and provision of services.

⁸PIS: Program of Social Integration; COFINS: Contribution for the Financing of Social Security

3.2. Risk management in the year

The risk management at EDP group looks for acting in an integrated way across five fundamental pillars:

	Recurrent Activities	Developments In 2022	Priorities for 2023
In-depth knowledge about key sources of risk exposure	Mapping of key risks (and representation in a structured taxonomy). Quantitative analysis of exposures (based on average and maximum loss). Presence in national and international forums on risk management.	Development of the risk map with the main risks for 2023 and the Business Plan horizon. Identification of the main emerging risks for the EDP group in the next ten years. Development of the climate risk assessment. In-depth analysis of management and exposure to supply chain risks, exposure to inflation risk and electric mobility. Creation of the ESG risk taxonomy and updating of the EDP group's risk taxonomy.	Updating of the risk map exercise for 2023 throughout the year; development of the risk map with the main risks for 2024. Updating the annual climate risk assessment exercise. Deepening of knowledge about the main IT/OT risks. Continued integration of ESG risks in the EDP group risk management framework.
Definition of management strategy	Support for explanation and reflection on risk-return trade-offs (and risk appetite) in the main management decisions. Periodic updating of the risk appetite statement, formalized and disclosed in the Annual Report.	Strengthening the integrated management of counterparty risks, namely by revising quantification methodologies, exposure limits and mitigation instruments. Assessment of the maturity of the corporate risk management structure, and definition and implementation of a roadmap for the evolution of maturity.	Alignment of the EDP group's Risk Appetite Statement with the new Business Plan. Implementation of counterparty risk concepts and practices aligned between group entities, and centralization of risk metrics. Implementation of the Corporate Risk Management Roadmap.
Active participation of risk in key decisions and management processes	Risk advice/ support for the Business Plan and Budget exercises. Support for investment decisions (incl. participation in Investment Committee). Support the definition of coverage strategies for key exposures. Analysis and advice on topics with possible impact in the risk profile of the group. Follow-up and control of key exposures (through periodical reports at group level and for the most relevant BUs). Periodical Risk Committees (for debate of key sources of risk exposure and treatment measures).	Analysis of the EDP group's risk profile in relation to different asset portfolios. Analysis of the vertical integration of the generation and retail businesses with a view to risk mitigation. Active participation providing advice for the evaluation of EDP group investments.	Strategic Risk Reflection for the EDP group Business Plan.
Formalization of risk governance model	Establishment of policy and principles for risk management at EDP group.	Clarification of the responsibilities of the EDP group's risk-officers, strengthening of governance tools relevant to risk management, namely the local Risk Committees (at the level of the Business Units and Platforms), review of governance models and creation of new risk areas in some BUs.	Updating the EDP group's corporate risk management policy. Continued support for the dynamization of the risk-officers network and the maturing of the risk function (in the BUs with more recent risk governance models).

	Recurrent Activities	Developments In 2022	Priorities for 2023
<p>Promotion of a solid risk culture, transversal to the organization</p>		<p>Continuous dissemination of the risk governance model, and integration of the corporate risk structure with the risk officers of the various BUs, providing visibility on the main risk issues to top management.</p>	<p>Definition of policy and practices supporting the management of operational risk.</p>
	<p>Carrying out a wide range of awareness initiatives, adapted to the different target audiences:</p> <ul style="list-style-type: none"> • Reflection sessions for top management; • Courses at EDP University for senior managers and middle management; • Specialized courses for all employees (e.g., ethics, health and safety, cyber-security). 	<p>Development of several sessions dedicated to risk:</p> <ul style="list-style-type: none"> • Top management (executive and non-executive): three Risk Committees dedicated to the analysis of the main risk issues with the executive top management; participation in four sessions of the Financial Matters Committee, in the meeting of the Audit Committees and two plenary meetings with the General and Supervisory Board; • Risk-officers meeting: holding a session with the group's risk-officers network to share best practices; • Creation of a platform/ tool for sharing risk management information between the second line of defense ("EDP ERM Repository"). 	<p>Consolidation of the program to strengthen the risk culture.</p> <p>Dynamization of the program for the EDP group's risk-officers network (including Risk-Officers Meeting).</p>

3.3. Business area analysis

3.3.1. Renewables

Financial Analysis

EBITDA Renewables

€2,528M

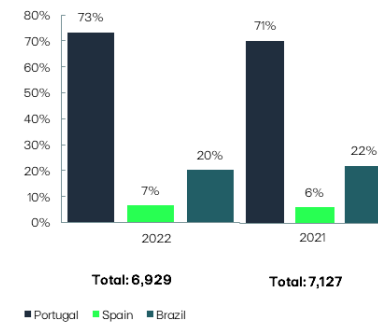
10% vs. 2021

- Renewables EBITDA (wind, solar and hydro) increased 10% vs. 2021 to 2,528 million euros**, supported by:
 - Wind and solar EBITDA increased to 2,157 million euros in December 2022 reflecting: (i) the benefits from portfolio expansion (average MWs installed +9% vs 2021), (ii) higher average selling price (+21% vs 2021), (iii) recovery of wind resources (+3p.p. vs 2021), namely in North America, (iv) exchange rate tailwind, namely USD and BRL (+89 million euros vs 2021), (v) and last year's Polar Vortex in February in US, most significantly affecting the Ercot/Texas assets (c.-35 million euros); more than offset the weak performance of Hydro Iberia mainly driven by poor hydro resources throughout the year coupled with pre-hedged volumes and increased electricity prices (-37% vs. long term average in Portugal in 2022 vs. -7% in 2021), despite some recovery in fourth quarter of 2022.
 - Hydro EBITDA decreased 163 million euros vs 2021 to 370 million euros.** In Iberia, EBITDA decrease 174 million euros impacted by the extreme dry weather in a context of very high wholesale electricity prices (total hydro production shortfall in 2022: 3.5 TWh normalized year vs. 3.3 TWh as of first nine months of 2022), despite the strong surge in hydro resources particularly in December (67% above long-term average). In Brazil, EBITDA increased +6% vs 2021 (+10 million euros) due to the recovery of hydro volumes which had a net positive impact coupled with 17% avg. BRL appreciation.

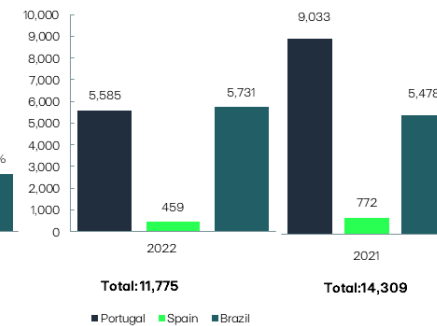
Operational Analysis

Hydro Generation

INSTALLED CAPACITY HYDRO (MW)



NETELECTRICITY GENERATION HYDRO (GWH)



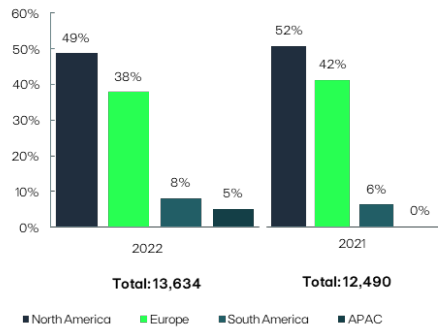
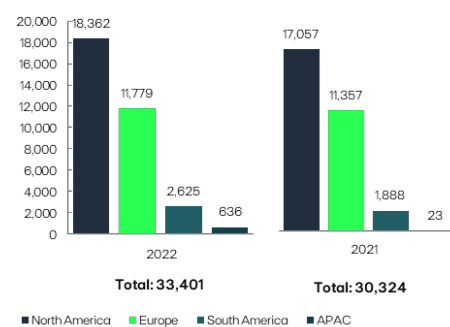
Iberia

- EDP's hydro production portfolio in the Iberia includes a total of 5.5GW of installed capacity, of which 45% includes pumping.
- Hydro generation in 2022 decreased 38% year on year (-3.8TWh), to 6.0TWh, reflecting the most extreme drought in the last 90 years in Iberia, with hydro generation coefficient of 0.63 in Portugal, compared with a coefficient of 0.93 in 2021.

Brazil

- The Hydro generation portfolio in Brazil includes a total of 1.4 GW of installed capacity which constitutes a decrease of 0.2 GW against 2021 due to the sale of Mascarenhas power plant (Energest). The portfolio also includes 0.6 GW of equity installed capacity.
- In 2022, following an improved hydrological scenario, the average GSF stayed at 86% (up from previous year's 77%). Consequently, the volume of energy production, considering the consolidated companies, was 5,731 GWh, an increase of 5% year-on-year.

Wind and Solar Generation

INSTALLED CAPACITY WIND & SOLAR (MW)

NETELECTRICITY GENERATION WIND & SOLAR (GWH)


- The Group's wind and solar generation portfolio corresponds to a total of 14.7 GW of installed capacity, an increase of 1.2 GW (+9%) explained by the growth of the portfolio of EDP Renováveis ("EDPR") net of deconsolidations resulting from the asset rotation strategy.
- In 2022, EDPR added a total of 2,121 MW, including the acquisition of a solar portfolio in Vietnam (200 MW) and Sunseap's acquisition (+402 MW portfolio of solar and solar DG assets, in several countries in APAC).
- Regarding the EBITDA portfolio, EDPR added: i) 1,053 MW of onshore wind technology: 378 MW in Europe (145 MW in Spain, 100 MW Poland, 83 MW Italy, 33 MW France, 18 MW Portugal), 96 MW in Mexico and 580 MW in Brazil; ii) 597 MW of solar PV technology: 200 MW in the United States, 53 MW in Europe (36 MW Poland, 9 MW Spain, 8 MW Portugal) and 345 MW in APAC (340 MW Vietnam, 4 MW in Singapore, 1 MW Taiwan); iii) 455 MW of solar DG technology: 116 MW in the United States and 338 MW in APAC (225 MW Singapore, 44 MW China, 37 MW Vietnam, 31 MW Taiwan, 1 MW Thailand).
- Following the asset rotation strategy, EDPR concluded the following sales: 100% stake on 181 MW in Spain, 172 MW in Italy, 149 MW in Poland and 260 MW in Brazil wind onshore portfolios; and 200 MW of a Build and Transfer solar project in the United States.
- Regarding the equity portfolio, the variation was +15 MW on the back of Sunseap's acquisition (6 MW Japan, 5 MW Cambodia, 5 MW Malaysia).
- Wind and solar generation increased by 10% in 2022, reflecting the higher average installed capacity (+1 GW).
- At the end of 2022, EDPR had 4.0 GW of capacity under construction, of which 1.2 GW related to onshore wind, 2.4 GW solar PV and 0.4 GW offshore wind. Regarding onshore

wind, 188 MW were under construction in Europe (119 MW Italy, 22 MW Portugal, 20 MW Spain, 15 MW France, 12 MW Poland), 502 MW in North America (202 MW in the United States and 300 MW in Canada) and 504 MW in Colombia. Solar PV projects respect to 659 MW in Europe (193 MW in Italy, 184 MW in Poland, 170 MW in Portugal and 112 MW in Spain), 1,573 MW in the United States, and 126 MW in APAC (88 MW in Singapore, 26 MW in China, 6 MW Taiwan and 6 MW in Thailand). On wind offshore, 419 MW were under construction in the United Kingdom and 12 MW in France.

Risk outlook

- **Renewable generation volumes:** uncertainty regarding hydro generation levels, with high volatility, being 2022 an example of a year with very low production in the Iberian Peninsula; uncertainty regarding the remaining technologies with less annual volatility.
- **Prices of PPAs:** rising trend of increase of capacity through auctions and directly by contracting corporate PPAs.
- **Prices for generation to market:** increased price volatility in the energy market, including electricity prices, green certificates, and RECs (Renewable Energy Credits).
- **Policy / regulatory support for renewables:** uncertainty regarding long-term regulatory frameworks (i.e., incentives, capacity, among others), as well as potential clawbacks to inframarginal technologies.
- **Political/social risk in EDP geographies:** risk of political uncertainty and instability in EDP geographies, the most current example being Brazil, with the risk of social unrest increasing after the 2022 presidential elections.
- **Counterparty:** possibility of counterparties defaulting on their obligations (i.e., energy sales contracts, equipment purchase contracts, among others).
- **Interest rates and capital gains:** increased volatility of reference interest rates, impacting the expected profitability of new investments and impacting the lower-than-expected selling price of parks, leading to lower capital gains.
- **FX:** potential evolution of key currencies leading to lower results in EUR.
- **Construction and asset development:** delays in the allocation of construction permits and potential capex deviations and delays in the commissioning date, due to supply chain related constraints and cost increases.
- **Asset operation and availability:** uncertainty regarding damage of assets and/ or loss of profit, risk of delays in maintenance and construction due to logistical and supply chain constraints.

EBITDA Networks

€1,506M

13% vs. 2021

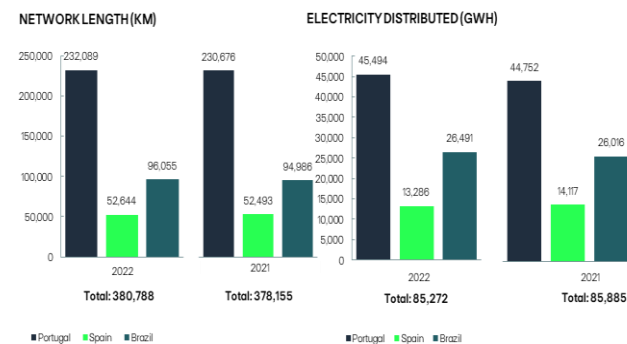
3.3.2. Networks

Financial Analysis

- EBITDA from networks increased 13% vs 2021 to 1,506 million euros**, mainly explained by: (i) 188 million euros increase in the Brazilian networks segment mainly reflecting the regulated revenues indexation to inflation (90 million euros), a stronger BRL (90 million euros) and a 32 million euros increase in the transmission's EBITDA from RAP indexation to inflation and new lines commissioned which more than offset the sale impact and gains associated with the asset rotation of the transmission lines in December of 2021 (37 million euros contribution in 2021 and 46 million euros gain). In Iberia, EBITDA was broadly stable compared to 2021 as the positive impact from higher Portuguese 10Y bond yields on the return on RAB and the benefits from integration of Viesgo were compensated by a normalization of OPEX, in Portugal, and "Lesividad" provision reversal, booked in 2021.

Operational Analysis

Distribution



Iberia

- The Distribution network in Iberia reached the length of 284,733 km in 2022 corresponding to a slight increase of 1% vs 2021.
- At the end of 2022, EDP reached 6.0 million smart meters installed in the entire distribution network in the Iberian Peninsula. Smart meters are aligned with the efficiency, digitalization and innovation strategies and are considered a strong bet in the Group, especially in Portugal where there was an increase of 15% against 2021.
- In 2022 the volume of electricity distributed in Iberia remained flat.
- The Installed Capacity Equivalent Interruption Time (ICEIT) in Portugal registered an increase vs 2021, reaching the value of 54 minutes, which is still below the regulator's benchmark. In Spain, the registered ICEIT value was of 18 minutes, a decrease from the previous year's value of 20 minutes.
- Regarding energy losses in the network, Portugal registered an increase in the indicator (measured based on energy output from the grid) which reached 8.74% in 2022 (+0.1pp vs 2021), remaining below the upper regulatory limit of 9.25%. In Spain (measured based on energy input into the grid), an increase to 4.8% was registered (+0.2pp vs 2021).

Brazil

- The Distribution network in Brazil reached the length of 96,055 km in 2022, corresponding to an increase of 1% vs 2021.
- In 2022, the volume of energy distributed increased 1.8%, (2.0% at EDP SP and 1.6% at EDP ES). This increase reflects the resumption of economic activity after the pandemic which still affected the initial months of 2021.
- The number of new customers increased 2.6% with free customers increasing by 14.5% (122 customers at EDP SP and 118 customers at EDP ES), due to the migration of captive customers to the free market.
- In both distributors, service quality indicators improved in comparison to 2021. At EDP SP and EDP ES, the Equivalent Duration of Interruption (DEC) was at 366 and 420 minutes respectively. As for the Equivalent Frequency of Interruption (FEC), it reached the value of 3.3 in both companies.
- As for energy losses in the network, both distribution companies showed improvements with EDP SP reaching a value of 7.9% (-0.4pp vs 2021) and EDP ES reaching 11.9% (-0.5pp vs 2021).

Transmission Brazil

- During 2022, the acquisition of CELG-T (now “EDP Goiás”) was successfully concluded, and a new lot (Lot 2) was awarded to EDP after placing a winning bid at the auction.
- 2022 was also a year of great construction progress: the two lots that were in partial operation by the end of 2021, started fully operating in 2022. Additionally, of the three that were under construction and not yet operating, two of them started operations successfully.
- This way, by December 2022, 4 of the 5 transmission lots and EDP Goiás were in full operation (2,185 km), 1 lot was still under development (350 km) and 1 lot yet to start construction (188 km).

Risk Outlook

- **Market price:** increased price volatility in the energy market, including the price of electricity, with impact across the business in Generation, Networks (in Brazil) and Retail.
- **Low voltage network concessions (Portugal):** uncertainty as to the timing of the launch of the tender and its terms, with possible fragmentation of the activity and increased costs for the system.
- **Political/social risk:** risk of political uncertainty and instability in EDP geographies, the most current example being Brazil, with the risk of social unrest increasing after the 2022 presidential elections.
- **Counterparty:** possibility of default or failure of counterparties to meet their obligations, leading to possible delays, penalties or lost revenue.
- **Construction and asset development:** delays in the allocation of construction permits and potential capex deviations and delays in the commissioning date due to supply chain related constraints and cost increases.
- **Asset operation and availability:** uncertainty regarding damage of assets; risk of delays in maintenance and construction due to logistical and supply chain constraints.
- **Business continuity:** impact of extreme events with possible materialization in a prolonged interruption of operations.

EBITDA Client Solutions and Energy Management

€486M

297% vs. 2021

3.3.3 Client Solutions and Energy Management

Financial Analysis

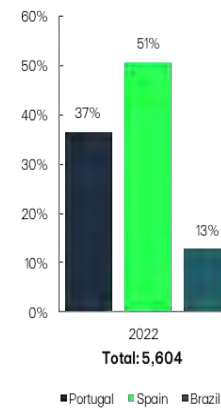
EBITDA from Client solutions and Energy Management (thermal generation, supply and energy management), increased to 486 million by:

- In Iberia, EBITDA increased significantly driven by: i) In Supply, a normalization of operating conditions vs 2021, despite seasonal effects of higher sourcing costs, ii) increase in thermal generation particularly in the first nine months of 2022 and iii) the positive impact of energy management results driven by a reduction in energy prices by the end of the year and adequate management of exposure vis-à-vis regulatory uncertainty and changes during the year.
- In Brazil, the segment performance benefited from: i) higher volume of electricity, ii) better optimization of the intermediation operation and iii) higher availability of Pecém thermal power plant.

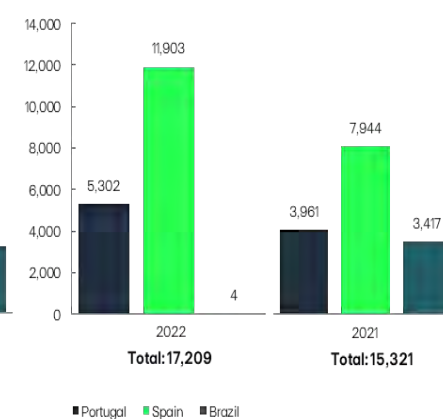
Operational Analysis

- Thermal Generation

INSTALLED CAPACITY THERMAL (MW)



NET GENERATION ELECTRICITY THERMAL (GWH)



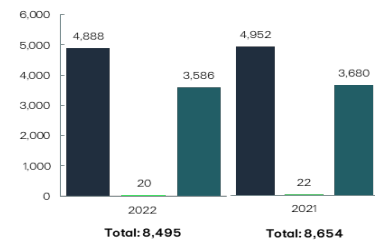
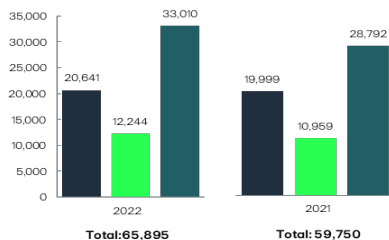
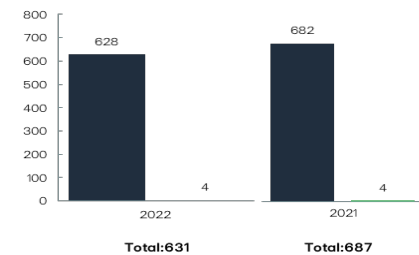
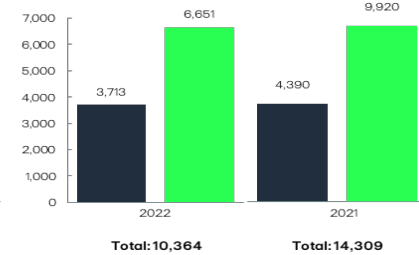
Iberia

- The Iberian thermal generation portfolio has an installed capacity of 4.9 GW, with most of the capacity being CCGT (59% or 2.9 GW) and coal (37% or 1.8 GW). The remaining thermal capacity is divided between nuclear (0.2 GW), cogeneration and waste.
- Thermal generation increased 45% compared to 2021 (+5.3 TWh), to 17.2 TWh, reflecting the response of the impact of the drought in Iberia and the increase of electricity exports to France. Nuclear generation remained stable.

Brazil

- In Brazil, EDP has 720 MW of installed thermal capacity corresponding to Pecém plant.
- In 2022, Pecém was not dispatched due to the improved hydrological scenario.
- Despite not being dispatched, Pecém's availability stayed at 97.5%.

Supply

ELECTRICITY CUSTOMERS ('000)

ELECTRICITY SUPPLIED (GWH)

GAS CUSTOMERS ('000)

GAS SUPPLIED (GWH)


Europe

- 2022 marked the most challenging year of the current century in terms of providing energy-related products and services. Wholesale energy and commodities prices soared during 2022 in response to gas supply shortage due to Ukraine-Russian conflict and sanctions taken by Western countries against Russian gas supply, which led to all-time high inflation levels in energy products and services.
- The already in place Energy Transition plans were fast paced worldwide with countries and companies committing to more ambitious Net Zero targets, which resulted in higher prices and supply chain disruptions. These decisions affected directly prices and supply of solar panels and Electric Charges to face a higher demand of customers looking for green solutions and energy independence.
- The high uncertainty and price oscillations led clients to go back to the regulated business. In Portugal the regulated electricity business (operated by EDP under SU Electricidade brand) increased 5% vs 2021 in number of clients to 1 million, and 20% in electricity sold to 3 TWh.
- On the other hand, and in line with the regulated business exodus, EDP liberalized electricity business saw a 3% reduction in number of clients to 3.9 million, and an increase of volumes sold to 18 TWh, mainly due to the increase in large accounts consumptions vs a 2021 impacted by the pandemic and lockdowns. As a direct effect of the increase in gas products and the governmental incentive in the regulated business,
- the liberalized gas business lost competitiveness, and therefore EDP portfolio of gas customers in Portugal reduced by 15% to 550 thousand, and volumes decreased by 17% to 3.5 TWh.
- In Spain, EDP also registered an increase of 12% in electricity sold to 12 TWh, due to no pandemic restrictions and lockdowns, and a decrease of 14% in gas volume sold to 3.3 TWh.
- In the services sector, among the main traditional services, emphasis should be placed on "Funciona" portfolio, which grew by 11% to 600 thousand customers and "EDP Saúde", which registered a total number of 220 thousand customers in Portugal, 13% more than in 2021.
- Regarding the commitment and the focus on to new services more focused on efficiency and energy transition, emphasis is placed on solar DG and Electric Mobility. Even with the global supply chain disruption, EDP installed in Iberia 200 MWac, 2.4x more than 2021. In mobility, EDP installed 2.3 thousand chargers, both public and private.
- Following the acquisition of Enertel in 2021 (a solar DG company in Italy), in 2022 EDP reinforced the strategy of Solar DG geographical expansion with the acquisitions of Soon

Energy and Zielona, two Polish providers of Solar DG solutions. In Italy and Poland, EDP installed 32 MWac in 2022.

Brazil

- Following the trends in Iberia, the volume of energy sold in 2022 increased by 8% to 15 TWh, with the increase coming from the liberalized B2B business. The regulated business increased 1% to 13.7 TWh.
- The focus on distributed generation is also a reality in Brazil, even though it was the geography most harmed by the supply chain disruptions and installations delayed, with solar DG installations dropping from 33 MWac to 9 MWac, although the delays are planned to be executed during 2023.

Risk outlook

- **Market price:** increased price volatility in the energy market, including electricity prices, with impact across the business in Generation, Distribution (in Brazil) and Commercialization, as well as fuel prices with impact on the Energy Management activity.
- **Risk on thermal revenue:** possibility of a fall in thermal generation spreads.
- **Retail margin/market share:** uncertainty regarding the evolution of retail margin or loss of market share, marketing of new products and services and potential deviations in demand vs. energy previously contracted).
- **Political/social risk in EDP geographies:** risk of political uncertainty and instability in EDP geographies, the most current example being Brazil, with the risk of social unrest increasing after the 2022 presidential elections.
- **Counterparty:** possibility of counterparties defaulting on their obligations (i.e., energy sales contracts, energy purchase contracts, equipment purchase contracts, among others).
- **Operation and availability of assets:** uncertainty regarding damage to assets and/or loss of profits, risk of delays in maintenance and construction due to logistical and supply chain constraints.

3.4. Group's financial analysis

3.4.1. Income Statement

EURO MILLION	2022	2021	Δ %	Δ ABS.
Gross Profit	6,121	4,835	27%	+1,286
Operating Costs	1,874	1,555	21%	+319
Other Revenues/(Costs)	38	335	-89%	-298
Joint Ventures and Associates	239	108	121%	+131
EBITDA	4,524	3,723	22%	+800
EBIT	2,530	1,931	31%	+599
Net Profit for the period	1,170	1,105	6%	+65
Net Profit attributable to EDP shareholders	679	657	3%	+22
Non-controlling interests	491	448	10%	+43

EBITDA

€4,524M

22% vs. 2021

- EBITDA amounted to 4,524 million euros in 2022**, a 22% increase vs. 2021. Excluding non-recurrent effects Recurrent EBITDA increased 21% to 4,522 million euros, benefitting from a strong growth of EDP Renováveis, Client Solutions and Energy Management recovery in Iberia and electricity networks in Brazil.
- In **Renewables**, 10% increase vs. 2021 to 2,528 million euros. This performance was mainly driven by a strong performance of EDPR, namely due to an increase in wind resources (+3 p.p. vs 2021), higher average installed capacity (+9%vs 2021), positive ForEx impact (+89 million euros) and higher average selling prices; on the other hand, Hydro Iberia EBITDA declined 49% vs. 2021 impacted by the driest year in a century in a context of extreme high prices where expected production was 100% hedged.
- In **Networks**, 13% increase to 1,506 million euros. Excluding one-off impacts (1 million euros in 2022 vs. 13 million euros in 2021), Recurring EBITDA increased 12% vs 2021 (+164 million euros), mainly driven by the 44% increase in networks EBITDA in Brazil, reflecting the update of revenues regulated to inflation, the start of four transmission lines, as well as the positive FX impact in the period.

EBITDA

€4,524M

22% vs. 2021

- Client Solutions and Energy Management amounted to 486 million euros in 2022.** Excluding the one-off impacts (-6 million euros vs 2021, from net gain of 4 million euros in 2021 to net loss of 2 million euros in 2022), Recurring EBITDA increased 370 million euros vs 2021 to 488 million euros. The increase in thermal generation, as well as the positive results from energy management in the fourth quarter of 2022, and the supply normalization, more than compensated the negative impact from the largest drought in decades, that generated a -3.5 TWh deviation in hydro production vs. average, in a context of high wholesale energy prices.
- Opex costs** increased 21% vs. 2021 to 1,874 million euros. The tight cost control and successful implementation of ongoing saving programs, mainly in Iberia, were offset by the requirements needed to accelerate growth in renewables and EDP Góias integration.
- Other net operating revenues/(costs)** decreased by 298 million euros, to a net operating revenue of 38 million euros, mainly on the lower gains from the asset rotation and higher regulatory costs in Europe.
- EBIT increased 31% vs. 2021, to 2,530 million euros,** negatively impacted by the increase of amortizations mainly driven by portfolio expansion, impairments mainly related with thermal assets in Iberia and Brazil (335 million euros) and ForEx.

EBIT

€2,530M

31% vs. 2021
**NET PROFIT
Attributable to
EDP Shareholders**

€679M

3% vs. 2021
EBIT

€2,530M

31% vs. 2021

- Net Financial results** amounted to -910 million euros in 2022 penalized by -58 million of euros of ForEx. Net financial interests increased 32% to -726 million of euros in 2022, driven by ForEx and higher cost of debt indexed to inflation in Brazil. Average cost of debt increased to 4.4%, penalized by all currencies but mainly due to the increase in inflation in Brazil that more than doubled the cost of debt of EDP in that currency. Excluding BRL cost of debt increased ~20 bps from 2.5% to 2.7%.

- Income taxes** amounted to 398 million euros, representing an effective tax rate of 25% in 2022.

- Non-controlling interests** increased 10% to 491 million euros in 2022, including (i) 362 million euros related to EDPR, mainly explained by a better performance in projects with minorities and higher free float vs. 2021; (ii) 84 million euros related to EDP Brasil on the back of the strong growth in net profit and the impact of BRL, partly mitigated by an increase of EDP stake in EDP Brasil after buyback program; and (iii) 45 million euros mainly attributable to the 25% minority stake at the electricity networks business in Spain.

- Net profit attributable to EDP shareholders reached 679 million euros in 2022 (+3% vs. 2021).** This result was penalized by non-recurrent effect of -€192m in 2022, including impairment of thermal in Brazil and Iberia, recurring net profit increase 6%, to 871 million euros in 2022, driven by strong performance of networks in Brazil and renewables in Europe and a better performance of Client Solution and Energy Management despite the adverse energy and weather context in Iberia. These factors were compensated by the increase in interest costs.

GROSS INVESTMENT

€6,673M

71% vs. 2021

3.4.2. Investment Activity

Expansion Investments (including Expansion Capex and Financial Investments), 6,018 million euros (+80% vs. 2021)

- **Expansion Investment represented 90% of total investment** and mostly dedicated to new renewables capacity and electricity networks (~96%).
- **Expansion Investment in new wind & solar capacity** amounted to 5.2 billion (+77% vs. 2021), distributed by North America (38%), Europe (26%), APAC (22%) and South America (14%).
- **In Brazil**, in local currency, Expansion Capex in transmission investments doubled while capex in distribution increased by 46% vs 2021, namely due to the acquisition of new transmission lines and grid expansion and improving quality of service in distribution.

Maintenance Capex, €656M (+15% vs. 2021)

- **Maintenance capex amounted to 656 million euros in 2022** and was mostly absorbed by networks in Iberia and Brazil (76 % of total).

ASSET ROTATION

€1,967M

The execution of our asset rotation strategy was strong during 2022:

In 2022 we announced and closed several asset rotation deals, of which it's worth highlighting: (i) a 181 MW wind portfolio in Spain (233 Million euros), (ii) a 149 MW wind portfolio in Poland (315 Million euros), (iii) a 172 MW wind portfolio in Italy (382 Million euros), (iv) the Build & Transfer Agreement of EDPR's 200 MW Indiana Crossroads Solar in the US and (147 Million euros), and (v) a 260 MW wind portfolio in Brazil (133 Million euros). The remaining asset rotation proceeds resulted from transactions announced in 2021, which only were cashed-in in 2022.

NET DEBT

€13,223M

14% vs. 2021

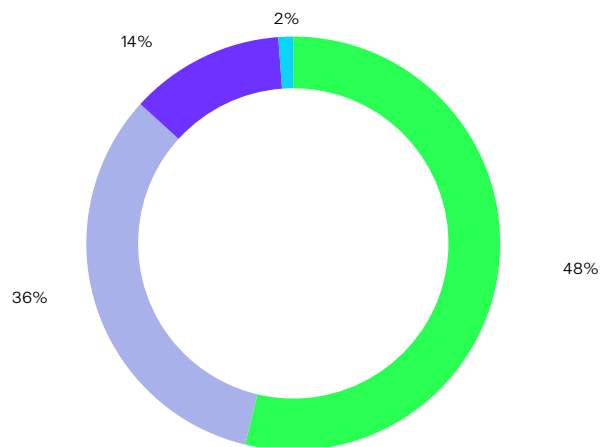
3.4.3. Net Debt

As of December 2022, net debt stood at 13.2 billion euros, 14% higher vs. December 2021, impacted by (i) a robust performance of the organic cash flow (2.6 billion euros); (ii) proceeds from asset rotations in the period (2 billion euros). This decrease was partly mitigated by our core expansion activity with the significant step up of our expansion investment (6.0 billion euros, including financial investments) and the annual dividend payment (753 million of euros).

3.4.4. Funding Policy

- Centralized policy for financial debt at EDP – Energias de Portugal, S.A. and EDP Finance BV (approximately 81% of gross debt), while the remainder is divided between EDP Brasil (ring fenced vs. the rest of the Group), project finance at some EDP Renewables subsidiaries.
- In 2022, the average cost of debt stood at 4.4% (+90 basis points vs. 2021), mainly driven by the cost and relative weight increase of Brazilian Real in our gross debt.
- Fixed interest rate debt represents 75% of overall gross financial debt.

Gross Debt by Currency in Dec-22 ⁽¹⁾



■ Euro ■ Dollar ■ Real ■ Other

¹⁾ After FX-derivatives

Bond Issues

All EDP issuances in 2022 were senior green notes, detailed as follow:

ISIN CODE	CURRENCY	AMOUNT	COUPON	MATURITY
XS2459544339	EUR	1,250,000,000	1.875%	21/09/2029
XS2542914986	EUR	500,000,000	3.875%	11/03/2030
XS2532478190	USD	500,000,000	6.300%	11/03/2027

Rating

Regarding EDP's rating, throughout the second half of 2022, EDP maintained its rating, namely S&P's rating of BBB with stable outlook, Moody's rating of Baa3 with positive outlook and Fitch's rating of BBB with stable outlook.

	LONG-TERM	SHORT-TERM	OUTLOOK
S&P	BBB	A-2	Stable
Moody's	Baa3	P3	Positive
Fitch	BBB	F2	Stable

3.5. Share performance

3.5.1. Share

EDP market price was 4.656€ per share at the end of 2022, 3.8% below the 4.838€ per share at the end of 2021. Based on the payment of dividends to shareholders held on April 6th, 2022 (0.19€ per share), which implied a dividend yield of 3.9% (considering 2021's year-end closing price), in 2022 EDP generated a total shareholder return (TSR) of 0.5%, assuming automatic reinvestment of the dividends received into new shares.

3.5.2. Market Performance

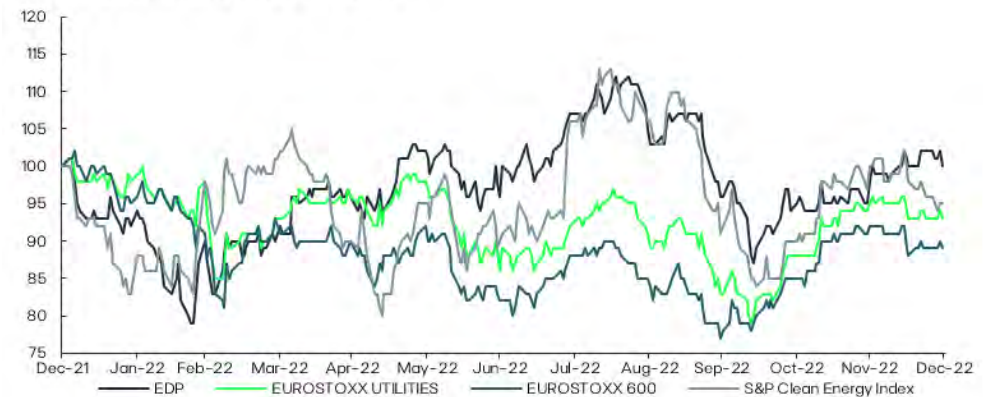
In 2022, European Equities benchmark index, Eurostoxx 600, yielded a TSR of -11.4% significantly impacted by geo-political tensions that challenged the trend of globalization, of which the most relevant was the invasion of Ukraine which triggered an exceptional energy and food crisis across most of the world. In most developed economies, a strong surge in inflation led the central banks to sharply increase the cost of money, pressuring the assets' real value.

The Utilities Sector outperformed the Eurostoxx600 and exhibited total return of -7.1% return in 2022 as investors sought more defensive stocks during the market downturn and the setup of the European recovery plan and approval of the inflation reduction act (IRA) in the USA which is expected to strongly promote decarbonizing the economies and securing energy independence improved the renewables outlook. On the other hand, performance was affected by the increase of the interest rates as central banks tried to curb inflation. Furthermore, some energy companies were penalized by increasing energy sourcing costs caused by volatile energy markets and political intervention.

In 2022, the global benchmark for clean energy-related businesses, S&P Global Clean Energy Index, registered a TSR of -4.7%, mainly driven by easing of the global congestions in supply chains and improvement of the outlook for renewables development, namely in the EU and in the USA. These factors were offset by concerns on the sustainability of renewables' projects internal rates of return as the cost of capital increased due to higher interest rate.

EDP's TSR of +0.5% in 2022 outperformed both European and Utilities benchmark Indexes, benefiting from renewables stronger growth prospects, namely in Europe and in the US, relative regulatory stability in Portugal and recovery of the hydro conditions towards the









TOTAL SHAREHOLDER RETURN



end of the year. The performance was nonetheless hampered by concerns about the cost of debt, risk of regulatory intervention in Europe and volatile energy management results at EDP level.

3.5.3. Factors influencing the change in EDP share price

The performance of EDP's share price in 2022 was impacted by several factors. On one hand, the improvement of the macro situation on the back of the end of Covid-19's lockdowns led to a recovery of electricity demand as economies re-opened which caught supply chains unprepared. On the other hand, the execution and strong delivery of EDP's Strategic Plan growth targets in the first year of this plan.

Internal factors	Accelerated Sustainable Growth	Focused Growth 	<ul style="list-style-type: none"> In renewables, the addition of 2.2 GW during 2022 and securing 11.2 GW of long-term contracts for new renewables capacity, representing 57% of our target for 2021-2025. In renewables, the strengthened position in the global renewables landscape, with the establishment of a renewable growth platform in APAC, through the completion of the Acquisition of Sunsecap, and reinforcement of EDP's presence in Europe, through the acquisition of Kronos' portfolio of developing solar projects, in Germany. In networks in Brazil, the award of 188 KM electricity transmission project. €3.4 billion of secured proceeds, corresponding to 43% of the 2021-2025 targets. Portfolio reshaping in Brazil: Disposals of Mascarenhas HPP that has a 198 MW installed capacity, resulting in a net amount of R\$ 708 million. This transaction reduces the weight of conventional generation and namely hydro exposure in Brazil, in line with the 2021-2025 business plan targets 	Debt Management 	<ul style="list-style-type: none"> Issuance of three green hybrid bond of €1,250m, €500m and USD500m in Mar-22 and two in Oct-22 at 1.90%, 6.33% and 3.93% yield, enabling a reduction of average financing costs. A €858m matured at Jan-22. Debt ratings remained the same for three major rating companies, with Moody's keeping positive outlook and Fitch and S&P with stable outlooks. 		
		Portfolio Optimization 	<ul style="list-style-type: none"> Roughly 91% of secured capacity with fully contracted or higher Capex already embedded in Investment decision. Strong investment performance with IRR/WACC of ~1.4x, with an implied IRR to WACC spread of 300 bps. 		Future Proof Organization	Efficiency 	<ul style="list-style-type: none"> 5% OPEX recurring increase on a like-for-like basis, excluding growth in 2022.
		Investment Strategy & Criteria 			ESG Excellence		<ul style="list-style-type: none"> Reassured presence in S&P Global Clean Energy Index and leadership among electric utilities on the Dow Jones Sustainability Index after 2022's review. Maintaining large share of renewable generation despite adverse hydro conditions, and improved alignment with EU taxonomy.
					Russia-Ukraine conflict		<ul style="list-style-type: none"> The military conflict between Russia and Ukraine, negatively impacted financial markets, prices of commodities, supply chain and compliance.
				Regulatory Environment	European Union 	<ul style="list-style-type: none"> Higher visibility on member states' overall energy policy, focused on renewables on the back of the Repower EU measures to foster renewables growth already being developed in some member states. RES energy target for 2030 doubled to 45% in REPowerEUPlan 	

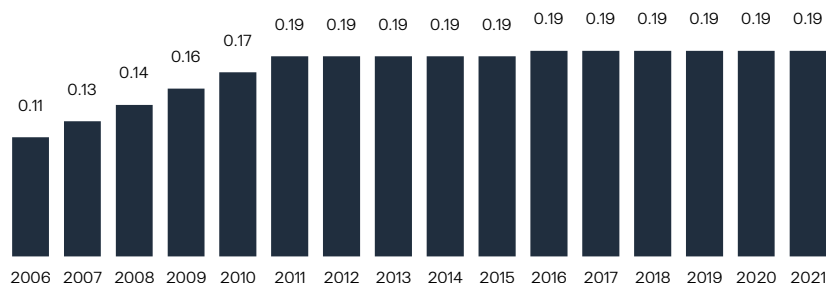
	USA		<ul style="list-style-type: none"> Inflation Reduction Act (IRA) represents unprecedented US commitment on climate, aiming to reduce carbon emissions by more than 40% in by 2030
	Spain		<ul style="list-style-type: none"> Increased news flow about political intervention due to the surge of energy prices.
	Portugal		<p>Stable Portuguese regulatory period, with maintenance end-user regulated electricity tariff, through a 420% decline in grid access tariffs.</p> <ul style="list-style-type: none"> Enhanced visibility on a 35% decline of the Portuguese Electricity System Debt, over the next year.
Supply Chain			<ul style="list-style-type: none"> Bottlenecks throughout global supply chains have been responsible for strong inflationary pressures and delays.
Energy Markets	CO ₂		<ul style="list-style-type: none"> The increase in the price of CO₂ in the European market has been supportive to electricity wholesale prices, penalizing institutions with open natural short positions on energy and favoring renewable players.
	Gas Prices		<ul style="list-style-type: none"> Sharp increase in gas prices contributed positively for the electricity wholesale prices in Europe, penalizing institutions with open natural short positions on energy.
ESG Trends			<ul style="list-style-type: none"> The rise of sustainable investing has increased the focus in companies that comply with ESG factors (Environmental, Social and Governance), like EDP.

3.5.4. Dividend

In the Strategic Update held virtually on February 25th, 2021, EDP reiterated its dividend policy, comprising a dividend floor of 0.19€ per share on the dividend going forward, which we delivered in 2022. The announced dividend policy dictates that the dividend should continue to evolve in tandem to earnings per share, within a payout ratio interval of 75% to 85%.

5,0%	6,8%	7,7%	8,1%	6,9%	5,7%	5,6%	6,6%	6,6%	6,2%	4,9%	3,7%	4,1%	Dividend yield
55%	58%	60%	67%	67%	65%	74%	72%	62%	87%	81%	90%	91%	Payout

Dividends per Share (€)



Accordingly, for the 2021 financial year the Executive Board of Directors of EDP submitted to the approval of the General Shareholders' Meeting of April 6th, 2022, a proposal for the allocation of 2021 profits, including 753 million euros to be distributed to shareholders in the form of dividends. The proposal was approved at the General Meeting and a gross dividend of 0.19€ per share was paid on the April 26th, 2022.

(1) 2018 Payout based on Net Profit excluding regulatory impacts (-€208m), impairments at coal plants in Iberia (-€21m), restructuring costs (-€21m), net gain on disposals (+€64m), debt prepayment fees and others (-€26m) and the extraordinary contribution for the energy sector (-€65m).

(2) 2019 Payout based on Net Profit excluding impairments (-€224m), the provision for Fridão (-€59m), provision reversal at S. Manoel and the gain on the revaluation of Feedzai (+€28m), restructuring costs (-€8m), provision for the sharing of some gains with customers and gains following the change in medical plan of employees in Brazil (-€12m) and the extraordinary contribution for the energy sector (-€66m).

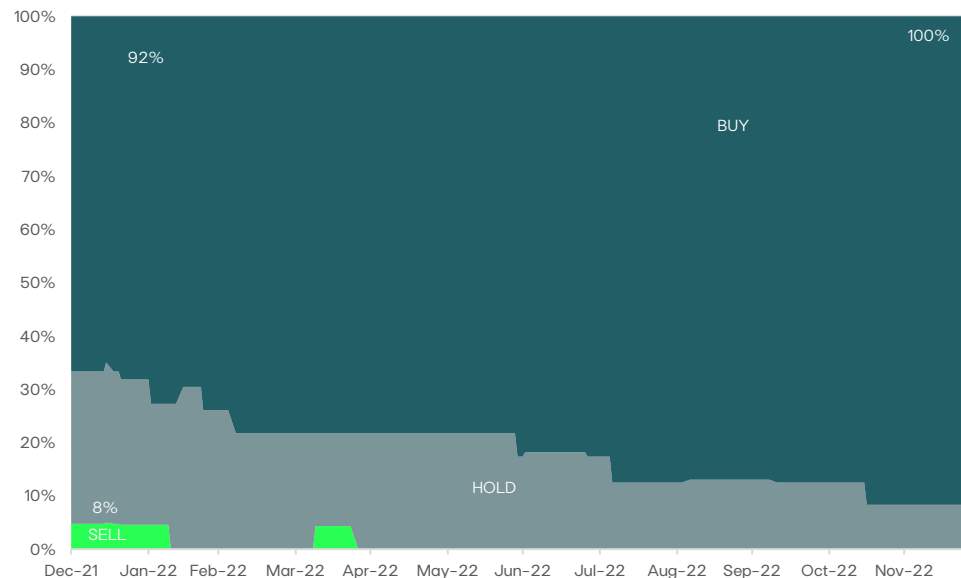
(3) 2020 Payout based on Net Profit excluding the net gain from disposals and investments (+€325m), impairments (-€252m, mainly thermal in Iberia), liability management costs (-€55m), regulation related items and other (-€18m) and HR restructuring costs (-€38m).

(4) 2021 Payout based on Net Profit excluding the adjustment of net gain and net profit contribution from disposals (-€384m), (ii) impairments and provisions (€269m, mainly thermal in Iberia), (iii) liability management costs (€55m), (iv) regulation related items and other (€17m) and (v) restructuring costs (€22m).

3.5.5. Analyst's Recommendations

There are currently 23 Equity sell side analysts with active coverage of EDP. During 2022, the weight of Buy recommendations by equity sell side analysts improved significantly to 100%, representing 8 p.p increase, due to an improvement in outlook for renewable players, cheap exposure to renewables/under-valued Iberian assets, hydro recovery, and regulatory stability in Portugal. Hold recommendations decreased from 8% to 0%, whereas Sell recommendations remain 0%. The average Price Target as of December 31st, 2022, was €4.656 per share, according to Bloomberg, implying a 22% upside potential.

Analysts' Recommendations

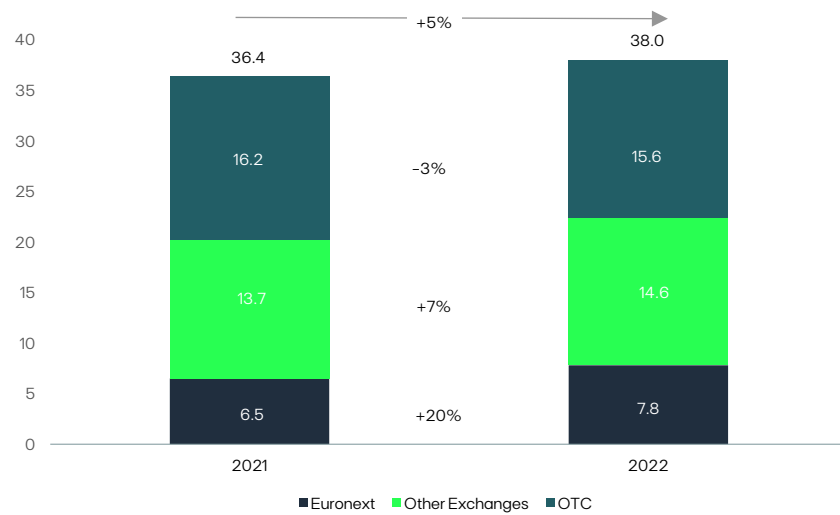


Fonte: Bloomberg

3.5.6. Volumes

EDP's ordinary shares are publicly traded not only in its main market (Euronext Lisbon), but also in other 27 stock exchanges (including Turquoise and Chi-X Europe) and 7 Over-the-Counter markets (including BATS Chi-X Europe and BOAT)

AVERAGE DAILY TRADING VOLUME PER TYPE OF MARKET IN 2022 (MILLION SHARES)



Sustainability

3.6.1. Accelerated and sustainable growth	82
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3.6.3.3. Supplier management	148
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3.6.3.5. Voluntary investment in the community	160

3.6

Accelerated and sustainable growth

Highlights 2022

- EDP Renewables constructs Indiana's largest solar park, with a capacity of 200 MW, which will produce enough energy to supply the average consumption of more than 36,000 homes per year
- EDP will provide 100 million euros by 2025 for investments in innovative solutions that can impact the business, through start-ups
- Inauguration of the floating photovoltaic solar park in Alqueva, the largest in Europe in reservoir. The energy produced by the approximately 12,000 photovoltaic panels will supply about 30% of electricity needs of the population in this region of Alentejo (Portugal)
- EDP has signed a global partnership to install up to 100 MWp of solar power in Faurecia units in Europe, Asia and the United States. By the end of 2023, EDP intends to install more than 60 self-consumption solar parks at the multinational's factories in Portugal, Spain, Italy, the United States, China, South Korea, Japan and Thailand. This is the largest distributed solar energy project secured to date by EDP, and the first to be installed with the same partner on several continents
- The European Commission has classified three EDP projects as strategic for the energy transition. This selection, made under the IPCEI Hy2Use, which involves 35 projects in 13 Member States, aims to promote the development of green hydrogen production in Europe
- EDP Renováveis has completed the installation of the two largest and most powerful onshore wind turbines in the Iberian Peninsula
- EDP Brasil produced the first molecule of green hydrogen (H2V) in its new generation unit in São Gonçalo do Amarante, Ceará, the first strategic step in the development of the hydrogen pilot project in the Pecém Thermoelectric Complex.

Main challenges 2023¹

- Companies and investors will navigate the increasing risk of litigation related to sustainability (in)actions
- Climate strategies will be reconsidered in the face of energy security and affordability concerns
- Addressing the challenges of market curability and uncertainty alongside the expected growth in the global sustainable finance market.

¹Challenges identified by S&P Global in 'Key sustainability trends that will drive decision-making in 2023' (available in www.spglobal.com) and recognized by EDP as relevant

3.6. Sustainability

3.6.1. Accelerated and sustainable growth

3.6.1.1. Decarbonising the world

Alignment with the SDGs	Objectives	KPIs 2022	Target 2025
	Installed capacity of renewable origin	79%	90%
	Smart meters installed in Iberia	87%	100%
	EV charging stations	6k	>40K

The fight against climate change and, in particular, the fulfilment of the climate goals of the Paris Agreement, reinforced in the Glasgow Pact, has led to a five-fold acceleration in the pace of decarbonisation of the world economy.

The electricity sector, through the use of renewable energies, is key to this acceleration by promoting the electrification of the remaining sectors, particularly transport, air conditioning in buildings and industry. EDP, by the nature of its activity, plays a pivotal role in this collective effort to combat climate change, an integral part of its global strategy.

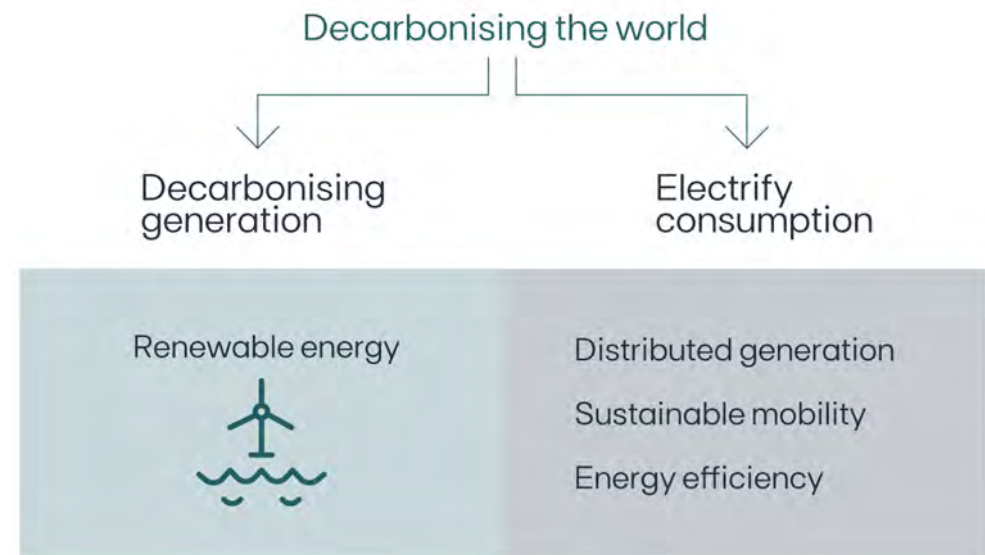
Leading the energy transition, contributing to a low carbon economy, has been a primary objective of the group, which is now a globally recognised reference among its peers.

EDP contributes to the decarbonisation of the world economy on two different fronts:

- through the decarbonisation of generation, through expansion into renewable energies and the progressive closure of thermoelectric plants
- through the electrification of consumption, offering new low carbon product and service solutions.

These services include:

- **distributed generation:** installation of solar photovoltaic systems on a self-consumption basis and adapted to customers and local characteristics, including energy communities
- **sustainable mobility:** support, advice and availability of in-home and out-of-home charging solutions currently available in Portugal, Spain and Brazil
- **energy efficiency:** more efficient equipment and lighting, such as LED lamps, high-efficiency motors, electronic variable speed drives and heat pumps, as well as advisory services and energy audits.



3.6.1.1.1. Renewable energy

KPI 2022	TARGET 2025
Renewable energy	
79% Installed capacity of renewable origin	>90%
74% Production from renewable sources	83%
974 MW Installed capacity in centralized solar systems	5.5 GW
700 MW ¹ Installed capacity in decentralized solar photovoltaic systems	3.7 GW

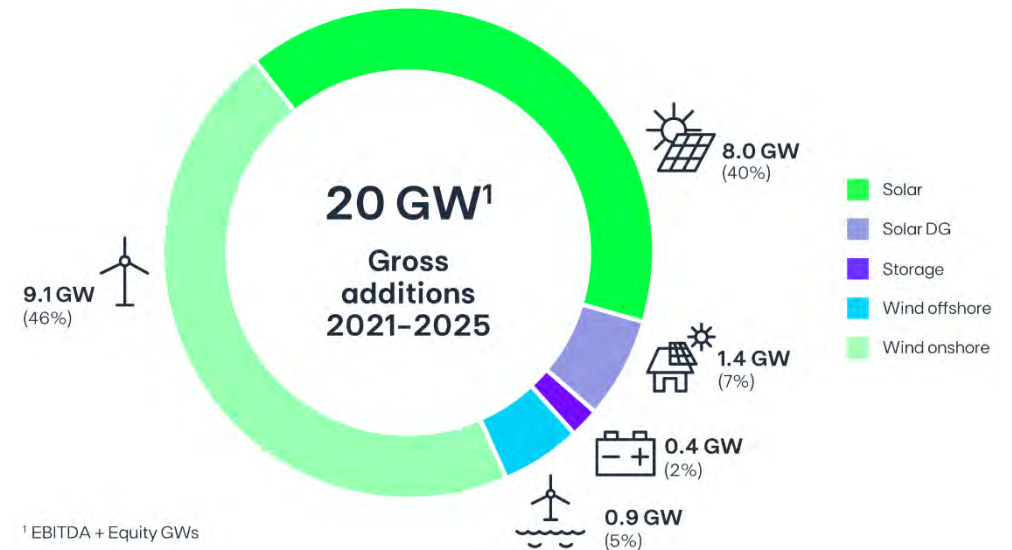
¹ North America installed capacity includes 1MW of storage.

The path to decarbonisation involves a strong commitment to electricity production from renewable sources.

The 2021–2025 Business Plan emphasised the acceleration of the group's investment in renewable energy, with a planned investment of 19.2 billion euros for its expansion, which corresponds to 80% of the group's total investment in the energy transition. This unprecedented investment in renewable energy includes wind, solar and green hydrogen complemented by energy storage technologies.

The Plan targets 20 GW gross added renewable capacity by 2025. On average, new gross capacity is estimated at 4 GW/year, during the period 2021 to 2025, preferably in low-risk markets with regulatory stability, favouring long-term PPA (Power Purchase Agreement) and energy purchases Contracts for Difference (CfD).

In technological terms, 47% of the total planned capacity, i.e., 9.4 GW, will be allocated to solar technology, 46% (9.1 GW) to onshore wind technology, 7% (1.4 GW) to decentralised solar and 5% (0.9 GW) to offshore wind, to be carried out by the company Ocean Winds (50/50 joint venture with Engie).



¹ EBITDA + Equity GWs

To increase flexibility, EDP also intends to expand its energy storage capacity beyond its traditional storage in hydroelectric plants with a pumped-storage reservoir. An increase of 0.4 GW of capacity is therefore planned for 2021–2025.

The group's asset rotation continuity strategy significantly contributes to this implementation. In 2022, EDP installed 1,053 MW of wind farms and 1,052 MW of solar farms, and sold a total of 790 MW, resulting in a net addition of 1,315 MW of installed capacity.

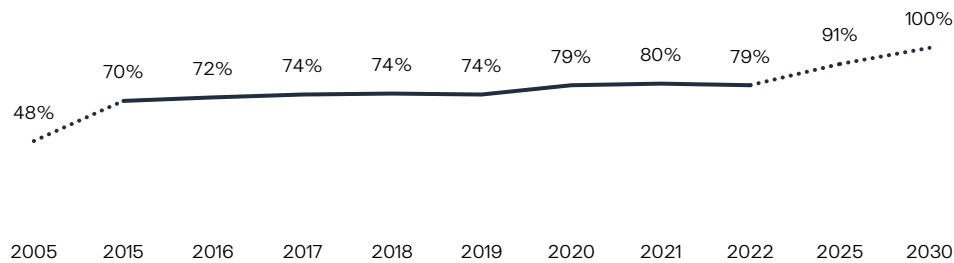
In line with the marked investment planned in renewable energies, EDP has set demanding targets, aiming to achieve full carbon neutrality (Scope 1 and 2 emissions) in 2030. By 2025, the installed capacity of renewable origin should exceed 90%, reaching 100% in 2030.

In relative terms, at the end of 2022, the percentage of installed capacity of renewable origin was 79%, i.e. a decrease of 1 p.p. compared with 2021. This variation was mainly due to the inclusion of the Los Barrios power station (coal) in the consolidation perimeter.

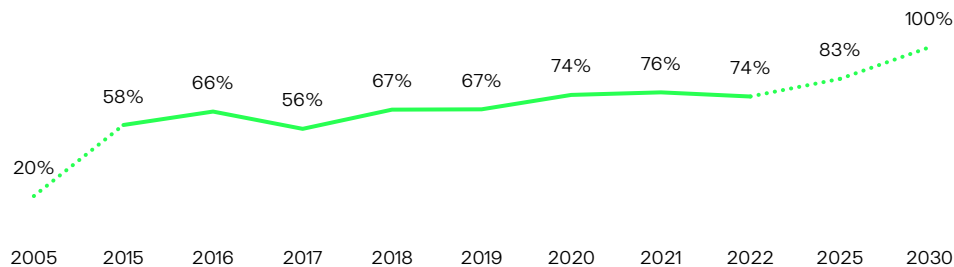
In 2022, renewable energy represented 74% of the electricity generated by the group, 2% less than in 2021. Of this 74%, wind energy represented 70%, hydro 26% and solar 4%. The slight drop in this indicator was essentially due to (1) the sharp reduction in hydroelectric generation in the Iberian Peninsula (IPH below 0.7) as a result of the severe drought that affected the Iberian Peninsula until November; (2) the sharp increase in generation from coal-

fired power stations in Spain as a result of the drought and the escalating price of natural gas, also a consequence of the war in Ukraine; (3) the increase in wind and solar generation and the fact that the Pecém power station has been shut down have not been enough to compensate for previous situations.

RENEWABLE INSTALLED CAPACITY (%)



RENEWABLE ENERGY GENERATION (%)



The decarbonisation route that the group has followed also involves the development of innovative projects, in anticipation of future business solutions. There is notable investment in areas such as energy hybridisation, which leverages potential synergies between different

technologies (solar, wind, hydro and storage), the medium-term production of green hydrogen and solar and wind installations on offshore structures.

In 2022, EDP completed the installation of the largest floating solar plant in Portugal, located in the reservoir of the Alqueva hydroelectric power station, with an installed capacity of 5 MWp and a battery of 1 MW/2 MWh. Also in this field, EDP secured the right to install a 70 MVA power plant on the same reservoir in the first floating solar plant tender launched in Portugal. The grid connection capacity allocated in this process should allow the installation of up to 154 MW of renewable energy, including the 70 MW of floating solar PV and, additionally, 14 MW of solar equipment and hybridisation of 70 MW of wind capacity.

EDP, through Ocean Winds, has been raising its profile in offshore wind growth with 1.5 GW gross capacity in operation by 2022, around 0.9 GW under construction and a portfolio of 14 GW under development. This focus on offshore wind goes far beyond what was foreseen in PN21-25.

3.6.1.1.2. Distributed generation

Anticipating the new energy paradigm, EDP has been consolidating its presence in a future in which power production, consumption and distribution will be increasingly decentralised. In this sense, the group offers a variety of solutions aimed at the specific needs of the various customer segments, through a diverse and competitive set of products and services in the solar photovoltaic field, which avoid emissions in the final consumption of energy.

In addition to the suppliers in Portugal, Spain and Brazil, and the services offered in Italy and Poland by EDP Comercial, EDP Renováveis has also begun this activity:

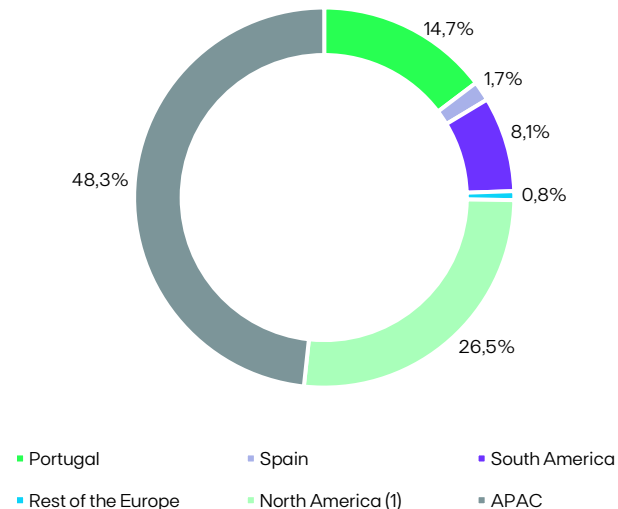
- in the United States, with the acquisition of a majority stake in the company C2 Omega, with a portfolio of 88 MWp of installed capacity and a short-term pipeline of more than 150 MWp in 16 states
- in APAC, with the consolidation of the acquisition of 91% of Sunseap in Singapore, the largest decentralised solar company in Southeast Asia, with 563 MW of solar projects operational and under construction and a portfolio of 10 GW of renewable projects in different stages of development

- in Germany, with the acquisition of a 70% stake in the company Kronos Solar Projects GmbH ("Kronos"), with 1.4 GW in installed solar projects and a portfolio of 9.4 GW in different stages of development in Germany (4.5 GW), France (2.7 GW), the Netherlands (1.2 GW) and the United Kingdom (0.9 GW).

In 2022, EDP installed a total of 256 MW of solar photovoltaic systems, both in the transactional format, with a customised installation service tailored to each customer, and in the as-a-service format, in which the investment and operation of the system is ensured by EDP during a certain contracted period with the customer.

The total installed capacity amounted to 700 MW, which produced 565 GWh and avoided 300 ktCO_{2e} of emissions.

DECENTRALISED SOLAR INSTALLED CAPACITY (%)



⁽¹⁾ North America installed capacity includes 1MW of storage.

3.6.1.1.3. Sustainable mobility

KPI 2022

Sustainable mobility

TARGET 2025

76.5 K Customers with electric mobility solutions

180k

14.6% Electrification of the light fleet

100% (in 2030)

6,010 Charging points installed

>40k

EDP has made a pioneering commitment to promote electric mobility over the next few years. The objectives now outlined are in line with the conviction that combating climate change and decarbonising the economy will involve greater penetration of renewable energies and electrification of consumption, particularly in the transport, heating and cooling sectors.

In conjunction with the group's strategic objectives of achieving 100% renewable installed capacity by 2030 and reducing its specific CO₂ emissions by 90% in 2030 compared to 2015 levels, we are actively contributing to accelerating the transition to sustainable mobility. EDP is committed to achieving a 100% electric fleet (light vehicles) by 2030, which will require considerable investment in the renewal of its vehicle fleet. This transition will now be accelerated and will lead to a 70% reduction in CO₂ emissions from the global fleet, which consists of some 4,000 service vehicles.

EDP has also committed to the installation of 40,000 public and private charging points by 2025 in all the countries where we are commercially active (Portugal, Spain and Brazil), as well as for 180,000 customers with electric mobility solutions by 2025.

Within the scope of the services provided by EDP, which contribute to the decarbonisation of energy consumption, electric mobility also plays a fundamental role.

Given the potential for action, the company has internalised a great proportion of its efforts in the area of electric mobility through solutions (products, services and charging networks), mostly aimed at its customers, but also in internal measures at group level. In this sphere, EDP has established initiatives to encourage the acquisition of electric vehicles by its employees, maintaining the "Electric Mobility Employee Pack" initiative, which offers special conditions

to employees in Portugal for the acquisition of electric vehicles and the use of charging solutions.

In 2022, EDP launched the "Sustainable Mobility Support Credits" initiative, which allocates an annual sum to employees for use in shared mobility programmes (excluding individual combustion-powered vehicles).

In addition, EDP's approach has included the promotion of an ecosystem of partnerships and initiatives for electric mobility at international level:

- EDP actively participates in Eurelectric – where it will chair the E-Mobility Working group from 2023, contributing to the ongoing discussions within these organisations for the development of business-oriented regulations and frameworks to support the transition to clean mobility
- EDP is a board member of ChargeUp Europe, an association of EV charging infrastructure industry companies, which works actively on policy advocacy to promote the rapid and effortless deployment of EV charging infrastructure in Europe. EDP was the first Portuguese company to join this association
- It collaborates with the WBCSD on a multisectoral programme that addresses business solutions and guidelines for the decarbonisation of mobility
- It is a founding member of TDA, which brings together the 3 Cs (countries, cities/regions and businesses) as the key drivers of sustainable, low-carbon mobility – it aims to accelerate the global transformation of the transport sector to a net zero-emission mobility system before 2050
- EDP is part of The Climate group's ambitious EV100 initiative
- In order to give visibility to electric mobility, EDP continues to promote the "Portugal Mobi Summit", the largest urban mobility event in Portugal for the fifth consecutive year, in partnership with the Global Media group.

Products and Services

The EDP group has a diverse commercial offer of products and services, particularly in Portugal, Spain and Brazil. Throughout 2022, EDP worked to make available the best charging solutions to its customers. The group focused, on the one hand, on the development of increasingly complete electric mobility solutions tailored to the needs of the growing market. And, on the other, on more competitive prices, and so progressively reaching more drivers of electric vehicles.

In Portugal

EDP Comercial supplies and installs charging solutions for electric vehicles through charging stations for the B2C and B2B segments.

EDP Comercial has refreshed its [website](#) with relevant information to help customers overcome the initial barriers of this new paradigm of sustainable transport, including a simulator to help customers choose the best solution for their electric vehicle based on their mobility profile and home electric installation.

In 2022, EDP Comercial made a huge digital transformation of the E-mobility ecosystem, which resulted in the launch of a new mobile app and web portals.

The EDP Charge application allows customers to run on the public grid, at home and in the workplace. Using this new app, customers can check charger availability, run simulations of charging session costs, start and stop digitally, resulting in a new and seamless customer experience.

The new EDP Charging Portals for condominium and B2B customers enable various charger management features, monitor charging sessions and take remote actions on chargers that give customers self-sufficiency and flexibility.

Smart charging was also launched in 2022. It offers a more convenient way to charge electric vehicles when there is less electrical power available. As a result of exponential increases in mobility, this topic has become a major concern for customers.

In terms of charging solutions for the B2B segment, the EDP Comercial platform that provides access to personalised energy efficiency recommendations and technical services adapted to the business, Save to Compete, has updated its offer with charging solutions adapted to the real needs of business customers, both for private and public access spaces, with different levels of customisation and also available as-a-service.

In Spain

The product MiVē, is an app aimed at the B2C segment, fully configurable by the customer through a calculator that covers all consumer needs in a single fixed monthly fee, particularly: charging at home, including the charger, the respective installation and energy consumption;

charging away from home, at the public charging stations on EDP's public charging app (MOVE ON); and other additional services.

In the B2B segment, EDP continued to invest in the promotion of the Save to Compete platform that offers the possibility of managing its charging points through MOVE ON. In this way, the corporate customer decides the conditions of access to its charging points (users, prices, etc.) and EDP manages them, subsequently returning the income generated to the corporate customer. The participating company thus obtains a potentially new source of revenue.

Public charging network

Teleworking and the boom in micro-mobility have significantly boosted the demand for electric vehicles and the inevitable need for charging infrastructure.

In Portugal

The estimated electric charging needs for the coming years indicate a demand for 20,000 charging stations by 2025.

EDP has contributed positively to the creation of a vast public charging network, increasing the number of charging points in Portugal's key locations with strategic partners (Brisa, McDonalds, Burger King, etc.).

In 2022, EDP increased its number of contracted charging points by more than 70% and formed several important partnerships that resulted in more than 2,000 contracted charging points. EDP's growing network of partners, who provide space on their premises for the deployment of charging points, continues to be crucial for EV users, ensuring greater capillarity of the public charging infrastructure. It is important to note that 2022 saw the highest use of EDP's public charging network, with over 400,000 charging sessions in Portugal.

EDP leads the CEME market – the public charging market – with more than 50k customers benefiting from one of the most attractive tariffs in the public charging market.

In Spain

By the end of 2022, EDP accounted a total of 800 public charging stations in Spain.

Agreements have been established with various organisations, such as municipal councils and service stations, but also alliances with private companies such as the Ahorramas supermarket chain, where EDP plans to install 450 charging points in 140 car parks and company offices.

Together with Ahorramas, the alliance is being extended to include a large self-consumption solar project at its central platform in Velilla de San Antonio, consisting of more than 3,300 solar panels and having an installed power of 1,800 kWp, which will mean annual energy savings of 25% of total consumption at its logistics warehouses and central offices. With this installation, which will produce around 3,000 MWh annually, more than 1,650 tonnes of CO₂ will be avoided.

At regional level, in the Principality of Asturias, an agreement was also signed with Masymas (Hijos de Luis Rodríguez) for the installation of 20 chargers, each with a power of 22 kW, at eleven shops in the region.

The Mastercard pilot project was also developed, between EDP and Efibat, in which the first 5 public charging points were set up with technology that allows customers to pay using bank cards and/or mobile phones.

In Brazil

After the 2021 installation of two more charging stations at the Guarulhos International Airport and nine ultra-fast charging points (one of them being 350 kW, the most powerful in Latin America), EDP Brasil started, in 2022, the installation of an ultra-fast charging network covering the entire state of São Paulo and connecting the main electric corridors in the country. This project, which should already be completed by early 2023, is part of EDP Smart's initiatives in electric mobility presented to Aneel via Research & Development, totalling investments close to R\$ 50 million.

3.6.1.1.4. Energy efficiency

KPI 2022	TARGET 2025
Energy efficiency	
38% B2C Customers with sustainable services	25%
11.9 MtCO₂ Emissions avoided by customer	15 MtCO₂

The set of energy efficiency, sustainable mobility and distributed generation initiatives carried out in 2022 led to an estimated energy saving of 490 GWh, avoiding the emission of 1,755 ktCO₂, including those corresponding to the sale of electricity from renewable sources, through the guarantees of origin scheme. Since 2015, the savings generated from sustainable services have made it possible to avoid the emission of 11.9 MtCO₂, which represents around 80% of the 2025 target.

EDP promotes the improvement of energy efficiency throughout the value chain as an important contribution to decarbonisation, contributing to greater efficiency in the end use of energy by offering its customers low carbon products and services.

In 2022, 38% of B2C customers on the liberalised market had sustainable services, such as energy efficiency, electric mobility or decentralised solar services. The aim is to ensure that we offer these services to 25% of these customers by 2025 and 50% by 2030.

In Portugal, the Casa Eléctrica programme continued, focusing on B2C customers, which aims to promote the change of butane or propane gas consumption to electricity, with an impact on energy consumption and safety, and in alignment with the strategy of electrification of consumption.

In the corporate segment, EDP supports companies in the implementation of integrated energy efficiency services by offering solar energy, sustainable mobility and consumption management solutions.

In Brazil, EDP also invests in energy efficiency initiatives, either through distribution companies, which operate in the regulated market, or through the service company EDP Smart, which operates in the liberalised market. The distributors, according to the legislation of the Brazilian electricity sector, have the obligation to apply 0.4% of net operating revenue annually in Energy Efficiency Programs (PEE) and 0.1% in the National Program of Electric Energy Conservation (PROCEL). EDP Smart offers solutions to improve energy efficiency (lighting, air conditioning) and also in the area of electric mobility and distributed generation. By 2022, the implemented measures led to energy savings of 30 GWh and 32 ktCO₂ avoided.

Energy efficiency services generated around 491 million euros of income in 2022, representing a 88% increase compared to 2021.

First Green Hydrogen molecule

The simplest, lightest and most abundant chemical element on the planet, hydrogen has a high energy value and releases, when ignited, three times more energy than other combustibles (such as gasoline, for example). The cost of producing green hydrogen is still high, but it tends to decrease year on year – just as has been happening for two decades with wind power and, for ten years, with solar.

Hydrogen production technology has been known and used for a long time but was associated with some type of previous burning (and, therefore, pollution and more emissions), followed water electrolysis, which generates hydrogen. In the case of green hydrogen, the energy used in its production comes from clean sources – like solar, hydro and wind. As a result, hydrogen is considered the fuel of the future and a safe bet for helping to contain the excessive global warming.

During 2022, EDP worked on a green hydrogen project at the Pecém Thermolectric Power Plant (UTE), which was officially inaugurated in January 2023. Coal-fired plants use heavy oils in production start-up processes and EDP Brasil has replaced the burning of these oils with the use of hydrogen – thus generating an environmental improvement, even if the plant continues to operate coal-based. Through an investment of 41.9 million reais, this project is unprecedented in the country and consists of a solar plant with a capacity of 3 MW that feeds an electrolysis module for the production of hydrogen, ensuring a renewable origin and the capacity to produce 250 Nm³/h of gas.

In embracing this idea, EDP Brasil also aims to train its employees so that, in the future, they can be part of the green hydrogen production hub adjacent to the current Pecém

Plant structure. This hub will be 100 MW and will benefit from know-how developed in the construction of the 1.5 MW plant that makes up part of UTE Pecém.

In addition to boosting economic development in the region, these green hydrogen projects in Ceará have it at the forefront of energy transition. With permanent sun, a geographical location that makes it one of the closest Brazilian regions to Europe and a deepwater port (the port of Pecém) that allows the easy outflow of ammonia (into which hydrogen must be transformed for transportation), Ceará has almost unique conditions to become a major producer of green hydrogen, not only for domestic consumption, but also for export. EDP believes that Brazil can play this very important global role.

3.6.1.2. Customer experience

EDP provides energy supply and services to residential customers in the Iberian Peninsula and in Brazil, and business customers in Portugal, Spain, Italy, Poland and Brazil.

In Iberia, the regulatory framework defines the separation of distribution (regulated market), supply (liberalised and regulated market) and supply in the regulated market. While, in Portugal, EDP operates in the three activities through independent companies, in Spain it is present in distribution (regulated market) and supply (liberalised market). In Brazil, in the states of São Paulo and Espírito Santo, EDP operates in the regulated market, in distribution and supply, as well as in supply in the liberalized market.

In 2022, the growth in the market for solar solutions for self-consumption stands out. Although the demand for this type of solutions has increased in all countries, it is important to highlight the company's consolidation in relatively new territories through acquisitions. Such an example is the purchase of Soon Energy and Zielona-Energia.com, in Poland, and Enertel, in Italy, the later still in 2021.

In the current market context, there are several events and trends that put pressure on service quality and challenge the commercial relationship with customers, of which we highlight the following:

- the volatility in the energy markets that forces adjustments in price and contractual conditions and the search for solutions that favour price stability and predictability
- the priority to decarbonise and adapt to climate change, through continuous technological, digital and legislative innovation
- new regulatory dynamics and customer behaviour associated with decarbonisation objectives
- the growing importance of energy services compared to the traditional business of selling energy
- the increasing frequency of extreme events with an impact on infrastructure.

As a result, transformation dynamics in the market context are changing the classic segmentation of customers, widening their diversity and expanding business opportunities and challenges. In this area, special attention must focus on trends towards the energy rating of buildings, the acceleration of electric mobility, self-consumption and energy communities, and the increase in the divide between customers with the capacity to invest in energy efficiency and customers in the state of energy poverty.

The EDP group maintained its commitment to accelerating investment in commercial innovation by diversifying its portfolio of services and markets to ensure a highly satisfying customer experience through its commercial services, and excellence in the quality of the commercial relationship. Commitments that are part of the EDP's values and culture and translated into quantitative strategic objectives.

3.6.1.2.1. Promoting sustainable consumption

In line with EDP's ambition to be the global leader in energy transition, the group has been broadening its portfolio to provide consumers with products and services that enable them to contribute to a more sustainable planet.

Efficient solutions and equipment

To achieve carbon neutrality, it is necessary not only to electrify consumption, but also to change the way in which we consume energy, making it more conscious. In this context, EDP has at its customers' disposal a kit of energy-efficient equipment that allows consumers to use less energy but meet the same day-to-day goals. Examples are air-conditioning appliances – which today are up to four times more efficient than traditional electric heaters – and water heaters, whose savings, in the case of solar water heaters, can account for up to 60% of water heating, among others. For those seeking an integrated solution, EDP also has the Casa Elétrica (Electric Home) service available, which includes advice, technical assessment and installation for the electrification of the home, resulting in greater levels of comfort and savings for the customer.

Solar energy

In a year of great volatility in the energy markets having an impact on gas and electricity prices for residential and business customers, the focus on solar energy has gained new relevance. This clean and virtually inexhaustible energy source allows customers to transition smoothly, at the same time reducing their exposure to fluctuating electricity prices and, consequently, their energy bill.

EDP offers its customers a portfolio of solutions to maximise the investment and benefits of solar installation, with emphasis on a consumption monitoring system and the possibility of installing a storage battery so that the customer can use solar energy during the day or store it for later use.

For the corporate sector, EDP is developing services tailored to the unique needs of each business, with an emphasis on the as-a-service model, in which EDP assumes the entire investment and takes charge of the installation, operation and maintenance of the power station.

2022 was also a year of growth for Solar Neighbourhoods, renewable energy communities that are democratising access to solar energy. In these neighbourhoods, producers make their space available for the installation of solar panels and the energy generated is shared among the neighbours of the community.

Electric mobility

EDP helps in all steps of an electric vehicle user's journey, from initial research to charging solutions inside and outside the home. In this sense, in addition to information initiatives and integrated offers for private charging, EDP has significantly increased the public charging network, having exceeded 3,000 public charging points contracted at the Iberian level by 2022. Increasing the charger network is one of EDP's major focuses to reduce what is still an obstacle to the adoption of electric vehicles: the charging experience.

With a strong and clear focus on digital and user experience, in 2022, EDP launched the new "EDP Charge", the first application in Portugal to integrate the management of charging in public and private spaces. The app, already at 14,000 downloads, provides users with a map of charging points on the national grid, their availability and tariffs and can be used to link EDP's Electric Mobility card to charge with 100% green energy, fully digitally, at any station on the grid, in Portugal.

3.6.1.2.2. Customer satisfaction

The EDP group has made the commitment to maintain a customer satisfaction level of over 75%. This objective is monitored through customer satisfaction in their interactions with the company, the number of complaints, and through satisfaction questionnaires carried out periodically.

In **Portugal**, in the liberalised market, a satisfaction level of 88% was achieved, an increase on the previous year. The NPS (Net Promoter Score) of the liberalised market, which measures the degree of customer recommendation in relation to the company, was 26% in B2C segment and 22% in B2B. In the regulated market, satisfaction levels reached 80%.

Despite having been a year marked by volatility and rising energy prices in wholesale markets, the actions implemented throughout the year, particularly in terms of communication with customers, allowed the usually negative effects of these increases not to be reflected in the satisfaction of the end customer.

In **Brazil**, the main indicator used to measure customer satisfaction is the Quality Satisfaction Index (ISQP), obtained through the ABRADÉE Residential Survey. In 2022, there has been an improvement in the ranking (EDP São Paulo 69.5% and EDP Espírito Santo 74%).

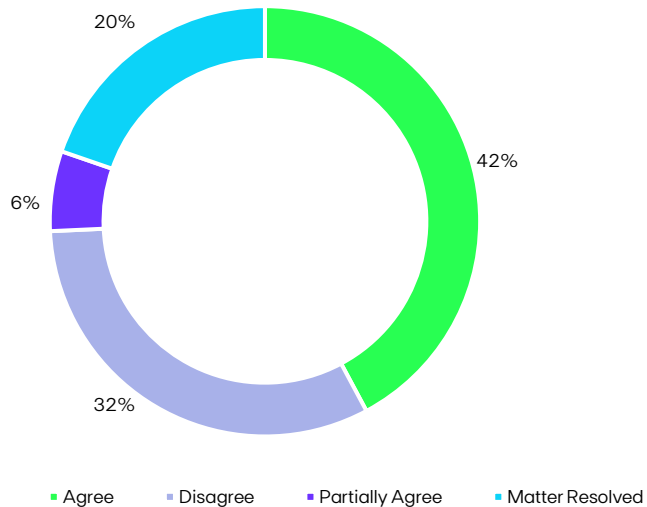
In **Spain**, the B2B segment recorded an average satisfaction rate of 7.5 (on a scale of zero to ten).

3.6.1.2.3. Complaint and claim management

The EDP group continuously invests in the development of channels and means of handling complaints and grievances, as well as improving customer experience. In addition to facilitating conventional means of service, alternative solutions to those provided by law are made available, such as the Customer Ombudsman, the Ethics Ombudsman (see [Ethics](#) chapter) and participation in citizenship initiatives, such as the Complaints Portal.

In Portugal, EDP has a Customer Ombudsman, an independent body whose role is to assess customer complaints in cases where they are not satisfied with the responses obtained from the standard system.

RESPONSE DETAILS FROM THE CUSTOMER OMBUDSPERSON (%)



In Portugal, in the liberalised market, despite the current context of natural gas price increase and integration of the Iberian CAP value, the energy supply segment recorded a significant reduction in the volume of complaints (-17p.p. compared to 2021), reaching the lowest value ever recorded. This result is mainly due to post-pandemic stabilisation, the greater robustness of business cycle processes and a less severe winter that resulted in fewer incidences of power failure and/or losses.

Regarding solar energy, there was a reduction in the volume of claims, despite a significant increase in installations. This was due to the continuous improvement of sales, installation and after-sales procedures and evolutions in the performance of the smart meter replacement process and settlement activation. As for electro mobility, due to the context of strong growth of this activity, there was a natural increase in the volume of complaints, although not significant when compared with the installed number of recharging stations and CEME cards.

In B2B energy in Spain, as in Portugal, the year was marked by complex changes in the energy sector that negatively affected the number of complaints. Several improvement and prevention measures were implemented, which contributed to a substantial reduction in the volume of complaints registered in 2022.

In Brazil, at EDP São Paulo, complaints had a very positive evolution. In September, the decrease against the same period of 2021 was already 16%. The FER (Equivalent Frequency of Complaints) improved 22% compared to 2021 (in the period from January to August), reaching a FER of 4.04, well below the regulatory target (16).

COMPLAINTS	UN	2022	2021
Portugal		80,247	95,427
B2B	#	1,796	1,034
B2C	#	77,873	93,727
SU	#	578	666
Spain¹		450	921
B2B	#	344	921
E-REDES	#	106	n.a.
Brazil		56,565	49,678
Company	#	45,131	40,799
ANEEL	#	2,444	1,828
PROCON	#	4,451	1,811
Justice	#	4,539	5,240

3.6.1.2.4. Energy prices

In the Iberian Peninsula, energy trading is free, and consumers can contract their supply with any trading company.

In Portugal, and according to ERSE, in September 2022, the liberalised market represented around 86% of total customers and approximately 93% of consumption, in Portugal, and the

¹From December 2020, EDP stopped operating in B2C in Spain for the sale of electricity and gas. 2020 figure represents claims to 30 November 2020.

regulated market tariff is expected to be abolished at the end of 2025. Until then, liberalised market Normal Low Voltage electricity customers have the right to access a scheme equivalent to regulated tariffs and may return to the regulated market if their supplier does not provide this equivalent scheme. The average reference price tariffs for end user in Portugal, in 2022, was mostly composed of energy and supply costs (92.2%), as a result of the worsening of electricity prices in wholesale markets, with the costs of energy policy and use of networks representing, respectively, -11.2% and 19.0% of the total.

In Spain, on 30 September 2022, the liberalised market accounted for 64.9% of total customers, 98.8%, in the SME segment, and 99.1% in industrial segments, and 63.8% of customers in the domestic segment. Domestic prices in Spain had an energy policy cost component of around 25% of the final tariff, while the energy and network use components represented, respectively, 57% and 18% of the total.

In Brazil, in September 2022, the liberalised market represented 0.03% of total customers (30,086 out of about 89 million customers), about 34% of consumption. Since January 2020, all consumers with contracted power greater than or equal to 500 kW are eligible to migrate to the liberalised market, provided they purchase energy from renewable sources, with those contracting power greater than or equal to 2,000 kW being able to purchase energy from any source. Under Ministry of Mines and Energy (MME) Ordinance 465/2019, which set out the timetable for reducing the compulsory purchase of certain sources and opening the market, consumers with contracted power greater than or equal to 1,500 kW can, since 1 January 2021, purchase energy from any source as free consumers, with this threshold decreasing to 1,000 kW from 1 January 2022 and 500 kW from 1 January 2023. In September 2022, MME Directive 50/2022 was published, which allows consumers in the high voltage market to buy electricity from any supplier as from January 2024. In the same month, a Public Consultation was opened with a proposal for an Ordinance containing the schedule for opening the low voltage market starting from 2026, with predicted total opening by 2028, including residential and rural customers. With regard to the breakdown of the price of electricity, energy and sales costs constitute about 50% of the costs invoiced to the customer, with the costs of using the networks (transport and distribution) and energy policy corresponding to around 39% and 11%, respectively.

3.6.1.2.5. Quality of service

Improving the quality of the technical service provided to customers is one of EDP's main aims as an operator of distribution networks. EDP maintains a rigorous process of monitoring technical service quality, allowing the adoption of mitigating measures when required. At the

same time, additional checks and analyses are carried out at the point of delivery to customers in accordance with regulatory provisions. These procedures aim to support the optimisation of the maintenance and operation of the distribution network, focusing on improving the quality levels of service provided.

In 2022, the quality of service remained high as a result of the technical teams' commitment, a joint effort between EDP and service providers, management measures, new investments, and cooperation and dialogue with stakeholders.

In Portugal, specific investments and maintenance plans in network assets, as well as modernisation projects and the automation of the AT, MT and BT networks that were developed over the last decade, have contributed to good performance in the distribution network, alongside stabilisation of the main indicators of service continuity in recent years, confirming the widespread progress that reflects E-REDES' good performance in improving Quality of Technical Service in electricity distribution.

In 2022, the distribution network was subjected to a number of unusual climatic phenomena, which included the storm in the southern region on 7 and 8 December and the Efrain depression between 11 and 13 December. In the southern region storm, the Tejo Valley, Metropolitan Area of Lisbon and the south of mainland Portugal were the regions most affected by these adverse meteorological conditions. In the Efrain depression, the entire country, with the exception of the Mondego Asset Area, was affected, with winds gusting at more than 110 km/h, impacting the national distribution network at all voltage levels.

E-REDES developed an effective response to these events, having alerted its entire operational structure with the activation of the POAC-RD (Distribution Network Crisis Operational Action Plan), resulting in the strengthening E-REDES teams, the contact centre (fault communication service) and its external service providers; and the enhancement of vehicle, generator and other specialised equipment allocation.

In 2022, E-REDES focused on the treatment of data already collected and made available by the various equipment that makes up the electricity network, with the clear goal of improving the operation and management of the network. Thus, was born the EasyINC. The project actioned a set of algorithms and rules for processing SCADA data in order to identify without delay a relevant set of information about an occurrence (affected phases, defect elimination time, success or failure of automatic reconnections, among others). This information allows the operation to deal with an increasing number of alarms and obtain essential information about them, ensuring high levels of effectiveness and diminishing the possibility of error. From

an operation management perspective, it was possible to build a control dashboard that ensures aggregate information about what type of defects occur most in a part of the network, or the success rate of automatic reconnections. It is also possible to observe and monitor the behaviour of some substation assets, such as the opening time of a circuit breaker on demand when its preventive performance is required, promoting a culture of action and foresight, avoiding the failure of technical assets.

Also, within the framework of initiatives to improve the Quality of Technical Service, work in the field of smart grids was intensified during 2022, with the development of projects aimed at enhancing the use of information provided by intelligent measurement equipment.

E-REDES España, for the second consecutive year, stands out as a leading company in safety and quality of supply, a consequence of the investment made mainly in the digitisation of the network so that it becomes totally intelligent, and in operational efficiency, articulated through the Veja project.

In Brazil in 2022, the indicators of distributors EDP São Paulo and EDP Espírito Santo remained below the regulatory limits established by ANEEL, mainly due to improvement actions and preventive maintenance. Distributors count on specific projects to improve quality indexes and are focused on remedying recurrent cuts, the improvement of internal processes and the acquisition of new technologies.

In the last year, the indicators of Equivalent Duration of Interruption per Consumer Unit (DEC) and Equivalent Frequency of interruption per Consumer Unit (FEC) recorded in both São Paulo and Espírito Santo was consistently better than the limits defined by the regulator and lower than that observed in 2021.

3.6.1.2.6. Safety of products and services

The safety of products and services sold by EDP represents a fundamental aspect for the sustainability of the business. Risk prevention and control of all activities and equipment is an essential organisational requirement, committed to at the highest level and adhered to by the entire group.

Within the scope of energy services in EDP's portfolio, there is a set of promoted practices that foster safety for products and services, namely:

- promotion of online simulators that allow solutions to be customised and sized according to each client's needs. In these offers, prior visits are made to adjust the solution and ensure that all additional interventions are considered
- steps are taken to ensure that the legal compliance of all services and products is met in accordance with the regulations in force
- training and supervision of all installation teams as well as the inclusion of instructions for use and safety rules made available to all customers
- specific studies for safety analyses of the structure of buildings and of accessory equipment, enabling safety risks to be mitigated or even eliminated, for continuous improvement
- regular inspection of assets, according to their function, type and regulation, to ensure their safe operation during their life cycle.

3.6.1.2.7. Vulnerable customers

Quality of life and well-being are directly dependent on access to energy and, in particular, to quality electrical energy at affordable prices. In an increasingly technological and digital society, ensuring that everyone can enjoy this essential asset is a challenge that the EDP group places at the centre of its business strategy, for which it has established quantitative objectives (more details at www.edp.com) and a commitment to contribute to the targets of the United Nations sustainable development goals (SDG 7).

EDP's approach to customer energy vulnerability is based on three pillars:

COMMERCIAL COMMITMENTS	ENERGY POVERTY	ACCESS TO ENERGY
Service guarantee Adapted solutions	Social tariffs Energy efficiency	New business Social dimensions

Commercial Commitments

EDP scrupulously applies the service guarantees specified by regulation and which aim to protect priority customers from interruptions in the supply of energy. Priority customers are informed individually about supply interruptions that are subject to prior notice, with the minimum adequate prior notice, and have priority in the restoration of service in the event of

breakdowns. Priority clients are health services, security forces, firefighters, civil protection, maritime and air safety, and penitentiary facilities. Similarly, for customers with special needs, with limited vision, hearing or oral communication or olfactory deficit, EDP adapts its information and communication systems and guarantees the same levels of quality of service and rights available to other customers.

EDP also provides the “Safe Invoice” service, which covers situations of involuntary unemployment, temporary incapacity for work or total and permanent disability.

Energy Poverty

Energy poverty is associated with the inability of families to obtain the necessary energy services to ensure adequate thermal comfort, i.e., inability to heat and cool their homes adequately at an acceptable cost. The structural causes of energy poverty are poor energy performance of the housing stock and the inability of unemployed and poor families to invest in improving the energy efficiency of their homes. The social impacts of energy poverty are also well-known: deepening structural poverty and social exclusion, with significant impacts on public health.

EDP argues that support for energy poor customers should be directed at solving the structural problem, fundamentally through the implementation of energy efficiency measures and the adoption of preventive measures to avoid power being cut off in response to non-payment. In line with the European Commission's guidelines, the group also advocates that this type of measure be financed, preferably by the State, as an obligation of the Social State, or alternatively supported by other consumers as a national solidarity measure.

In Portugal, since 2010, legislation has provided for the application of a social tariff for electricity and natural gas, which translates into a discount in the access tariff awarded to economically vulnerable customers which is financed, in the case of electricity, by electricity producers in the normal regime and, in the case of natural gas, by the transmission system operator, distribution system operators and natural gas traders. In 2016, access to the social tariff was facilitated, with the extension of its eligibility criteria and its automatic allocation.

In the process of defining the tariffs for 2022, the Energy Services Regulatory Authority estimated a number of beneficiaries of the social electricity tariff in Portugal of around 845 thousand customers, with a discount equivalent to 33.8% of the gross price of the transitory regulated market tariffs, corresponding to €121 million, of which €81 million would be borne by EDP. In turn, it estimated around 57 thousand beneficiaries of the natural gas social tariff in

mainland Portugal, with a discount equivalent to 31.2% of the invoice before tax in the regulated market, corresponding to a value of 2.6 million euros, of which 220 thousand euros would be borne by the EDP group supply companies. In December 2022, the number of social tariff beneficiaries in EDP's customer portfolio was approximately 529 thousand customers for electricity and 19 thousand for gas.

In addition, the support measures for customers exposed to the pandemic (unemployment, drop in household income equal to or greater than 20%, or infection by COVID-19) remained in force until 31 March 2022, cutting off electricity and natural gas supply due to non-payment was prohibited and debt payment was made more flexible, by dividing the amounts owed into up to 12 monthly instalments, with no late payment interest.

In Spain, the social tariff has been implemented since 2009, covering, however, only electricity customers. The mechanism currently in force distinguishes three categories of social tariff beneficiaries, depending on their income level: vulnerable customers, with a 25% discount, severely vulnerable customers, with a 40% discount, and customers at risk of exclusion, with a 100% discount. However, as a result of the publication of Decree-Law 18/2022, of 18 October, vulnerable customers and severely vulnerable customers see their discounts increased to 65% and 80%, respectively, until 31 December 2023. The discounts in question apply to fixed term and maximum energy consumption. The social tariff is not granted automatically and must be requested and renewed periodically by the customer, if they meet the eligibility conditions, in particular, income-related criteria. Following the sale of the B2C commercial business to Total in December 2020, there are no social tariff beneficiaries in the customer portfolio of EDP's suppliers in Spain. From the beginning of 2022, the financing of the social tariff discount is assumed by all agents of the electricity sector value chain in proportion to their turnover, following the decision of the Spanish Supreme Court, which considered the previous model discriminatory because it only applied to electricity suppliers. The sum financed by the EDP group, accumulated to the October 2022, amounts to €14.1 million.

In Brazil, the Social Tariff was implemented in 2002 and consists of a benefit created by the Federal Government applicable to low-income families. This is a discount on the tariff applicable to the residential class of the electricity distributors, which can vary between 10%, 40% and 65%, according to the consumption of each residence, up to a maximum of 220 kWh/month. Indigenous and quilombola families who meet the specified requirements benefit, in turn, from a 100% discount up to a consumption limit of 50 kWh/month. In 2022, EDP's two energy distribution companies had approximately 464 thousand customers in the social tariff (base December 2022). ANEEL provides monthly databases with the information

necessary for distributors to cross-check the information, so that if a customer is identified as falling within the social tariff criteria, the benefit will be granted automatically.

The EDP group's contribution to protecting vulnerable customers is not limited, however, to the promotion of the social tariff and compliance with legal obligations. Voluntarily, through its [Social Investment Policy](#), EDP also develops programmes to combat energy poverty (see chapter [Voluntary investment in communities](#)).

Access to Energy

This third axis is aimed at promoting access to energy for populations without connection to electricity networks, either through investments in start-ups with this theme in mind, or through the provision of an annual financing fund for accessibility to electricity projects in countries with a high energy deficit. The theme of voluntary contributions to mitigate energy poverty and promote access to energy is addressed in greater detail in the [Social Investment Report](#) of the EDP group.

Future-proof organisation

Highlights 2022

- Recognition of EDP Renováveis as Top Employer Europe in six countries (Spain, France, Portugal, Italy, Poland and Romania) and, for the first time, in Brazil
- Launch of the EDP Label Merit Award that distinguishes the best master's or PhD thesis in topics such as renewable energy, decarbonization and technological innovation, in all markets in which the group is present
- Creation of a new common identity – EDP Y.E.S. – You Empower Society, a global brand, transversal to all geographies, to invest more than 300 million euros in social impact projects by 2030
- EDP was one of the signatories of the nine UN Global Compact Sustainable Ocean Principles, which provide a framework for sustainable business practice in all industries and regions and recognize the urgency and global importance of ensuring a healthy ocean, committing itself to take measures that would support the sustainability of the oceans for current and future generations
- The *Access to Energy* (A2E) Fund launched its fourth edition with twice the amount of funding: one million euros to support projects in five African countries – Mozambique, Nigeria, Malawi, Angola and Rwanda.

Main challenges 2023¹

- Adapt employment practices to new workforce dynamics in a context of economic and labour market uncertainty
- Need to allocate more resources to managing the impact of human rights in supply chains alongside the emergence of new European regulations on the subject.

¹Challenges identified by S&P Global in 'Key sustainability trends that will drive decision-making in 2023' (available in www.spglobal.com) and recognized by EDP as relevant

3.6.2 Future-proof organisation

3.6.2.1. Ethics and compliance

The EDP group assumes Integrity and Good Governance as one of its sustainable development principles, which is reflected in compliance with established legislation and ethical standards, upholding and promoting respect for human rights within its sphere of influence and ensuring governance of participatory, competent and integrity-based business.

Accordingly, to contribute to its sustainability objectives, since 2005 EDP has had a [Code of Ethics](#) that establishes group-wide ethical principles and commitments applicable to all activity, complemented by other policies such as the [Code of Conduct for Senior Management and Senior Financial Officers](#), the [Integrity Policy](#), the [Information Security Policy](#), the [Personal Data Protection Policy](#), the [Supplier Code of Conduct](#), the Code of Good Conduct for Preventing and Combating Harassment at Work, the [Policy of Respect for Human and Labour Rights](#), which are implemented through specific procedures.

In turn, there is a Compliance Management System which includes a range of policies, organizational rules and responsibilities, action plans and procedures defined at corporate level and applying to the whole group. Whenever necessary, corporate guidelines are specified by the business units, in order to meet the specific requirements of the different geographical areas and activities.

3.6.2.1.1. Ethics

Ethics Office (ETH) and Ethics Ombudsperson activity in 2022

Since 2019, the **Ethics Office's** activity has been based on the design, management (and implementation as far as it is responsible) of **Ethics Programs**.

Having concluded the 19–21 three-year period and with it the business ethics program aimed at strengthening the Ethics infrastructure at EDP – the program was called "Raising the Ethical Building @EDP – a new program was designed for the 22–24 three-year period whose main

goal is, now, to strengthen the "substance" of business ethics in the Company's daily life – we therefore call the **program "Making Ethics Real"**.

In both programs, but with particular emphasis on the current program, one of the main objectives is the **alignment of the business ethics policy throughout the EDP group**, which is sought to materialize mainly through the sharing and implementation of practices in organizational matters, training, and communication.

In the first year of the new program, 2022, the Ethics Office and the Ethics Ombudsperson's activities focused on **increasing the Company's involvement with the Business Ethics Policy and strengthening employees' trust in the whistleblowing management process**, issues whose importance became more evident because of the ethical climate survey conducted at the end of the previous year.

As part of the efforts to further embed the Corporate Ethics Policy in the EDP universe, updating and revising the [Code of Ethics](#) was one of the most relevant initiatives, in which, while maintaining the essence of the Code in force, an attempt was made to update the document with new ethical topics and, as far as possible, make it more relevant and useful for all stakeholders. EDP's new strategy and purpose were incorporated, the commitment to an effective Speak Up policy was strengthened and the role of managers in exemplary behaviour was emphasized. The entire image of the document was revised and aligned with the Company's new brand.

Another important action in this line of increasing awareness of the importance of Ethics in the Company's activities was the dissemination, through meetings with management, of the results of the Ethics survey conducted at the end of the previous year. This sharing, carried out in all geographies, made it possible to identify the main areas for improvement in this matter and to encourage the corresponding mitigating action plans.

Similarly, training and communication in Ethics were also activities that marked the year 2022, as foreseen in the Ethics Program, having been developed several training sessions, this year mainly aimed at managers, and in which we highlight the face-to-face training "Approaching Ethics", held for about 170 middle managers, as well as the "Lead Now" sessions held for 50 new managers. In the live online version, we highlight the training, already started in 2021, on "Ethical Risks in Business", which this year reached 77 middle managers, and also

the "Leading Through Others" session for 30 top managers at international level. The overall completion rate of these sessions was 65%.

Most of this training was designed and implemented in cooperation with AESE Business School as part of the Ethics Chair held between the school and EDP.

Training in Ethics for Partners remained a priority and the smart learning map initiative developed last year continued to be replicated with the main suppliers. A new e-learning solution has since been built and will be launched in the first quarter of 2023.

Aware of the impact that adequate communication can have in disseminating an ethical culture, several notes on the importance of Ethics at EDP were published in the various internal channels during the year. Of special note was the global celebration, in October, of Ethics Day, as well as the publication throughout the 12 months of the year of the comic strip "Do the right thing!", that allowed to alert employees, through a "friendly" format, to several themes of Ethics and Compliance present in the Code of Ethics.

The **strengthening of employees' confidence in the whistle-blower management process**, a very clear recommendation resulting from the aforementioned Ethics survey, was addressed by revising the entire management model – processes, procedures, reporting channel – along with the emphasis given, namely in the text of the revised Code of Ethics in the second part of the year, to the speak up and non-retaliation policy.

As such, and taking advantage of the opportunity created by the publication in Portugal of Law No. 93/2021, of December 20, which transposed into Portuguese law Directive (EU) 2019/1937 of the European Parliament and of the Council, of October 23, 2019, on the protection of persons who report violations of European Union law, EDP revisited its performance in this area, and rebuilt the entire whistle-blower management model, seeking for greater effectiveness, efficiency and quality in the instruments made available to all stakeholders and, in particular, its employees.

The Ethics Office was therefore deeply involved, in partnership with the Compliance and Legal areas of EDP, and also with the Digital Global Unit, in the reconstruction of this model, which involved the redesign of processes, the drafting of new procedures and a new design of the IT support system – namely through the centralization of the multiple channels for reporting existing denouncements – and also its adaptation to the new processes created,

while maintaining the same technological platform that previously supported the corporate Ethics Channel.

The new model, which allows for full compliance with the legal provisions in force in Portugal, was also implemented at EDP R and constitutes an example of excellence that we believe will ensure the desired confidence of all stakeholders. Although in production since June last year, a transversal training session on the operation of the new model is being prepared.

The process of managing potentially ethical contacts – **responsibility of the Ethics Ombudsperson, shared in the new model of whistle-blower management with the Compliance Department regarding topics of a legislative and/or integrity nature** – followed its normal course in 2022. After analysis and if considered potentially ethical after investigation, the contacts are assessed by the Ethics Committee, which issues the competent opinions and informs the interested parties.

The **Ethics Ombudsperson**, with the support of the Ethics Office, is also responsible for supporting the activity of the Ethics Committees of EDP S.A. and EDP R, and participating in the meetings of the Ethics Committee of EDP B. In 2022 in particular, the Ethics Ombudsperson prepared the quarterly status reports for the Annual Ethics Plan 22, as well as the Whistle-blower Management Scorecards throughout the year.

3.6.2.1.2. Compliance

The EDP group undertakes to carry out its activity in strict compliance with current legislation and regulations, together with the promotion of responsible action guided by the highest standards of ethics and integrity, requiring its entities, employees and service providers who act on its behalf to conduct themselves in accordance with this commitment.

EDP therefore undertakes a **zero-tolerance policy for Compliance** in relation to any act that fails to comply with the applicable legal and regulatory rules, based on the principles of transparency and justice, to prevent and combat illegal acts, particularly bribery, corruption, money laundering and financing terrorism, among others.

To put this commitment into practice, EDP's Compliance & Internal Control (C&I) area is responsible for promoting it by implementing a Compliance Management System in line with International Best Practice, namely with Standard ISO 37301 – Compliance Management Systems, EDP SA having obtained the respective certification by an independent entity. EDP's Compliance Management System breaks down into nine components (see image next page)

consisting of different Specific Compliance Programmes (SCPs), as follows: (1) Integrity/Anti-Corruption; (2) Personal Data Protection; (3) Competition; (4) Prevention of Money Laundering; (5) Separation of Activities; (6) Environment; (7) Health and Safety; (8) Internal Financial Reporting Control System. This structure has harmonized the guidelines and methodologies of Compliance management throughout the organization and in different regulatory areas.

The Compliance Management System, as well as the respective SCP, are continuously monitored by the C&IC and periodically subjected to internal and external audits, which may result in the identification of opportunities for improvement, considered for the purposes of improving compliance management.

In this context, a global Survey was also carried out in 2022 among all the group's employees to assess their perception and position regarding Compliance issues, as well as to identify potential areas for improvement.

Corruption, bribery, fraud, money laundering prevention

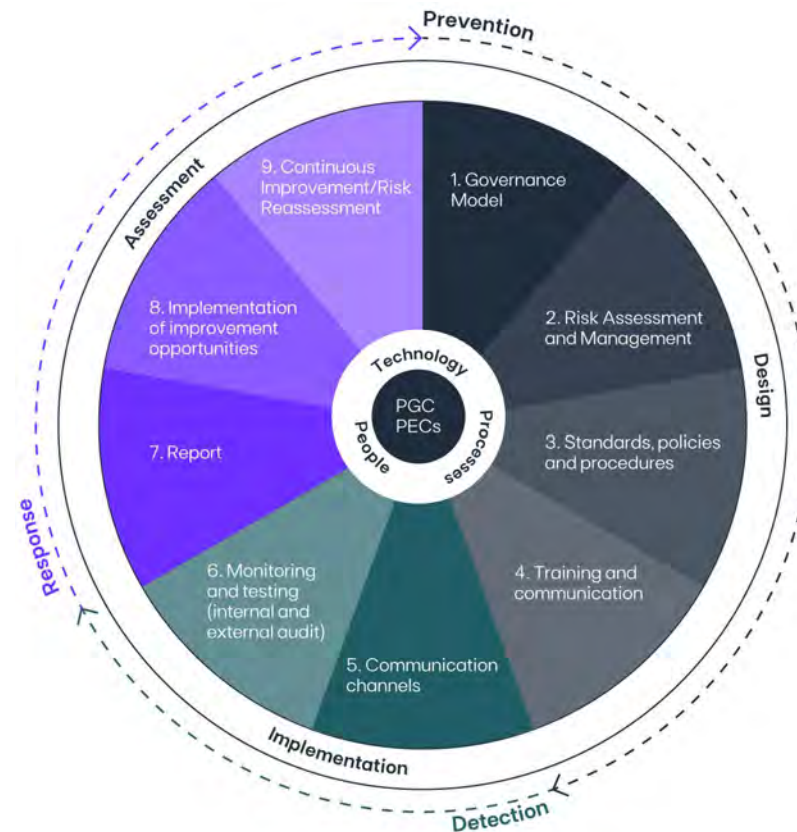
In EDP SA, EDP in Spain, EDP Renováveis and EDP Brasil, the group has implemented a Specific Integrity Compliance Programme, which is certified according to the requirements of Standard ISO 37001 - Anti-corruption Management Systems.

In this context, [EDP's Integrity Policy](#), which also applies to its service providers, reinforces the policy of zero tolerance for corruption or bribery practices, clarifies the prohibition of facilitation payments, and details the principles related to: preventing conflicts of interest; donations and sponsorship; gifts and invitations to events; contribution to political parties; relationships with politically exposed persons (PEPs); monitoring international sanctions; preventing money laundering and combating the financing of terrorism. This policy also establishes guidelines for carrying out integrity Due Diligence with third parties.

The principles and guidelines set out in the Integrity Policy are embodied in specific internal procedures, of which we highlight the following:

- the integrity due diligence procedure of third parties with whom EDP has relationships, namely suppliers, business partners/counterparties, beneficiaries of sponsorship/donations, employee candidates and other third parties, evaluating the various integrity risks (if necessary, using specialised external consultants) through analysis of possible existing legal proceedings, adverse news, involvement with PEPs, inclusion in sanctions lists, situations of conflict of interest, etc

COMPLIANCE MANAGEMENT SYSTEM



- the procedure for relations with PEPs, which provides for specific rules of action, foreseeing the need to record and communicate certain types of interaction
- the procedure for offers and invitations to events, defining rules of action and thresholds for their award and acceptance, as well as review and approval mechanisms
- the procedure for the attribution of donations and sponsorships, under which the integrity of the respective beneficiaries must be ensured, and the actual application of the support granted must be monitored

- the conflict-of-interest management procedure establishing rules that guarantee impartiality and transparency in decision-making and to prevent misconduct or inappropriate behaviour
- investigation procedure, defining the principles of action and rules to be followed in an investigation, involving five phases: preliminary analysis, documentary investigation, interviews, investigation and the release of a final report.

In 2022, 6,317 (2021: 6,395) third parties were analysed under the third-party integrity due diligence (IDD) procedure.

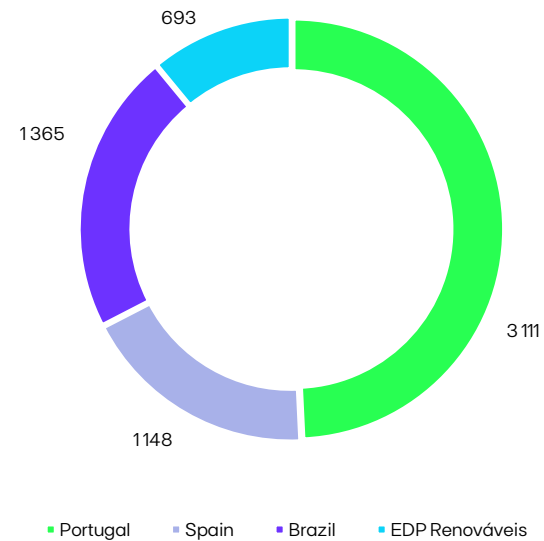
The conclusions of IDD are attributed a rating and set out in an opinion that includes specific recommendations on the approval of the transaction, the adequacy of the contractual conditions and monitoring of contract performance.

As part of its commitment to compliance, the EDP group provides various channels for making complaints, some of them global and others specific to certain matters or with a specific scope of application by company, country or subgroup, whose management is ensured by independent and impartial bodies. In this context, globally, one incident relating to corruption and bribery remained open in 2021, and 20 new cases were registered in 2022. Among the total incidents recorded, the analysis of 14 cases had been completed, by the end of 2022, of which two were found justified. These two cases triggered disciplinary actions against the contractors involved and an awareness-raising action was promoted among the respective teams. Specifically in the scope of Prevention of Money Laundering and Combating the Financing of Terrorism, in 2022 no reports were received, nor any suspicious operations identified at group level.

In 2022, training and awareness-raising actions were also developed across the board to ensure the strengthening of the culture of compliance and Integrity, complemented by specific initiatives developed at local level according to the needs identified, of which the following are highlighted:

- cross-cutting training "Compliance - The right way", addressing the principles and methodology of compliance management at EDP
- cross-cutting training "ComplianceFLIX | How I met Integrity", with practical cases relating to the application of the procedures
- monthly cross-cutting publication of comics "Do the Right Thing", illustrating principles of Ethics and Compliance.

INTEGRITY DUE DILLIGENCE (# OF ANALYSED TRANSACTIONS)



In this context, a total of 25,637 participations were recorded in the various sessions available (2021: 23,978), corresponding to a total of 7,445 hours of training (2021: 7,706 hours).

In terms of ongoing improvement, the following initiatives are also highlighted throughout 2022:

- formalisation and public disclosure of the Corruption Risks Prevention Plan (covering all required EDP companies in Portugal) following the entry into force of the General Framework for the Prevention of Corruption
- review of the whistleblowing channels and creation of new "Speak up" channels, meeting the requirements of the European Directive on Whistle-blower Protection and its implementation into national legislation
- review / improvement of risk analysis methodologies and internal regulations on integrity, taking into account the changing context and continuous adherence to best practice.

Data protection

Strict respect for privacy and protection of the personal data of its customers, employees, service providers, suppliers, partners and other stakeholders is assumed by EDP as a commitment throughout the value chain. In this context, the Specific Personal Data Protection Programme is one of the main cross-cutting programmes of EDP's Compliance Management System.

This commitment is set out in the [group's Data Protection Policy](#), which guarantees compliance based on observance of the following principles: (1) Lawfulness and purpose; (2) Transparency and Loyalty; (3) Proportionality; (4) Monitoring; (5) Privacy from the very start; (6) Responsibility and (7) Safety.

These principles are embodied in the different norms and procedures across the group that guide the actions of the various group companies and that address, namely:

- the Privacy by Design processes
- the risk assessments of processing activities and data protection impact assessments
- management of subcontractors
- the response to the exercise of rights process
- the handling of personal data breaches.

These are complemented by specific procedures and controls defined at the level of each Business Unit for the entire life cycle of processing activities, according to their respective exposure to Personal Data Protection risks.

In their relationship with customers and other data subjects, the group companies provide information on the data processing carried out, either by themselves or by their subcontractors, namely through the Privacy Policies available on their respective sites or informative disclaimers provided on data collection forms or in contractual clauses. In these documents, the EDP group entities identify, among other aspects, the purposes for which they process the data, the respective grounds for lawfulness, retention periods, if applicable, whether they share the data with other parties, as well as providing the contact details of the entity responsible for data processing and the contact details of the respective Data Protection Officer (DPO), through which the data subjects may exercise their rights in relation to the protection of personal data, request information or clarification about their data, and lodge complaints.

With regard to incidents with personal data, in 2022, the EDP group entities:

- received a total of 324 Customer complaints (2021: 364); and
- notified the respective control authorities of three breaches of Customers' personal data in Portugal (2021: nine) and two in Spain (2021: zero) Of these, were also communicated to data subjects, one data subjects in Portugal (2021: two) and zero in Spain (2021: zero).

	RECEIVED DIRECTLY FROM THE CLIENT		REFERRED BY THE CONTROL AUTHORITY	
	EDP COMMERCIAL CHANNELS	DPO	OTHER CHANNELS	DPO
PORTUGAL	258	37	29	0
SPAIN	0	0	0	0
BRAZIL	0	0	0	0

The management of this Specific Compliance Programme is based on a specific governance model, based on the Global Compliance System, which establishes the responsibilities and the paradigm of relationship between the different participants and which relies, in particular, on the coordination of the Compliance & Internal Control Global Unit, specific teams responsible for promoting the dissemination, knowledge, training and implementation of the Compliance programme in the respective areas of activity and with the Internal Audit Global Unit in the third line of defence, conducting specific audit work to verify the adequacy and effectiveness of the implemented control mechanisms. Whenever legally required, this Governance Model also includes the DPO.

Under the Personal Data Protection Compliance programme, a total of 11,619 participations were recorded in the sessions provided in 2022, corresponding to a total of 4,374 training hours (2021: 6,158 employees/3,976 hours). In this context, we highlight the cross-cutting training, "ComplianceFLIX | The Data Protection Officer", with the staging of practical cases from different areas of data protection and special awareness raising on personal data breaches.

With regard to ongoing improvement initiatives developed in 2022, the following stand out:

- the revision and updating of the SCP Governance Model, with the aim of systematising and clarifying the main areas of intervention, adjusting some functions and responsibilities
- the review process of the Personal Data Protection regulations, with a view to updating, better systematising, clarifying and streamlining procedures
- the identification and implementation of improvements to the Personal Data Protection Programme Management Tool.

Fair competition practices

EDP promotes strict compliance with Competition rules, based on the commitments assumed in its Code of Ethics, its Integrity Policy, its Commitment to Healthy Competition and its Competition-related Specific Compliance Programme.

The Specific Compliance Programme (SCP) – Legal Obligations for Competition aims to strengthen the EDP group companies' guarantees of compliance with the legal requirements in matters of competition in Portugal, particularly with regard to contracts and the performance of its employees in accordance with the highest standards of ethics, integrity and competitive compliance, contributing to the sustainability and development of the markets in which EDP operates.

The SCP was approved at the end of 2019, with a focus on the EDP group companies operating in Portugal, comprising the following elements and documents:

- **Governance Model of the EDP group** in respect of compliance with national and European community competition legislation, which establishes the relationship model, the rights and the responsibilities of the various participants who act within the scope of the SCP
- **EDP group's Competition Manual**, which is required knowledge for employees. It contains the rules of conduct that must be followed by employees in their work, with a view to promoting strict compliance with competition law
- **training courses** among EDP group employees in Portugal on the basic concepts of Competition, the main rules of conduct to be observed and the consequences of non-compliance with competition rules
- **specific e-mail address** for employees to clarify any doubts they may have about the application of Competition rules

- **specific controls** for compliance with competition rules in the different business units covered. Such controls are periodically monitored by the heads of the different business units, with the support of the Competition & Energy Policy
- **checklist and standard clause** to ensure that contracts comply with the Competition rules. These rules also apply explicitly to EDP's participation in associations of companies
- **internal policies and procedures** regarding the activity of the EDP group, namely in matters of wholesale and retail offers and access to networks, in order to ensure that the principles to be followed in matters of Competition are respected.

2020 was the pilot year for the implementation of the SCP in the various EDP group business units operating in Portugal, the results of which were extremely positive, with proven adherence by employees and business units to fair jurisprudence practices. The business units presented evidence of their performance in accordance with the competition rules.

Since then, and based on the results obtained over the years, some opportunities for improvement have been implemented in the business units, with revisions to existing elements and new elements of the SCP approved, namely:

- update of the Generation Offers Procedure
- revision of the Competition Manual, with dissemination to all employees, with the sponsorship of the Chairperson of the Executive Board of Directors
- new Coordination Procedure for the notification of concentration operations to the Competition Authorities
- launch of a new training course in 2021 on the concepts of Competition and the main rules of conduct to be observed by employees.

Two online training courses are currently available to all EDP employees in Portugal regarding the Competition rules: the course, "100% Compliant – the Competition Game", launched in 2020, and the "Competition Quiz", launched in 2021. Both training courses have had very high access rates, over 70%, and the course launched in 2020 is part of the programme for welcoming new EDP employees.

At present, two legal proceedings of a competition law nature are ongoing:

- in the first case, EDP, S.A. and EDP Comercial were charged by the Portuguese Competition Authority (AdC) with entering into an alleged non-compete agreement with Sonae MC – Modelo Continente. This decision was appealed before the Portuguese Competition, Regulation and Supervision Court (TCRS), which reduced the fines by 10%,

to EUR 2.6 million and EUR 23.2 million, respectively. This TRCS decision was appealed before the Lisbon Court of Appeal. In April 2021, this court referred the case back to the Court of Justice of the European Union, which scheduled the trial hearing for November 2022. The decision is pending

- in the second case, EDP Produção is accused by the Portuguese Competition Authority (AdC) of abusing its dominant position in the secondary regulation band market, with the imposition of a fine of EUR 48 million. EDP Produção has appealed against the decision of the Competition Authority to the TCRS. This court confirmed the conviction of EDP Produção, which appealed this sentence to the Lisbon Court of Appeal in September 2022. Even so, EDP Produção has already been judicially ordered to pay the fine by AdC even before the trial and the final decision of the TCRS. Following this process, the lus Omnibus Association filed a citizen suit, anchored in the AdC decision, claiming the payment of compensation to all consumers in Portugal allegedly harmed. This process is suspended until a final decision is taken on the appeal by EDP Produção
- the EDP group is fully convinced that in neither case were offences committed.

A similar approach to preventing and mitigating practices that restrict competition is being implemented for the remaining countries, without prejudice to the codes and manuals already in place.

Internal Control System for Financial Reporting (ICFR)

EDP, within the scope of its financial reporting obligations, has an Internal Control System for Financial Reporting (ICFR), consisting of a model for the evaluation and mitigation of financial reporting risks, through the monitoring of the execution of control activities and the identification of potential improvement actions and their implementation.

The EDP group's ICFR was developed and implemented based on the criteria established by the internal control regulatory framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO 2013") in relation to business processes and overall controls, and by the Control Objectives for Information and related Technologies ("COBIT") in relation to general information technology controls. In 2022, the ICFR mapped and monitored a total of 3338 controls that contribute to mitigating the risks in Financial Reporting, including those of fraud and information systems.

Currently the ICFR is undergoing an external audit by an independent body, and since 2010 it has been considered, in all materially relevant aspects, an appropriate and effective internal control system and is certified by the external auditor without conditions and comments.

3.6.2.2. Communication and transparency

3.6.2.2.1. Responsible political involvement

Representation of interests

EDP group institutional engagement and external affairs are managed in accordance with legal requirements and in line with the principles of action established in the [Code of Ethics](#), [Integrity Policy](#) and other internal provisions of the Company governing its relations with stakeholders, in particular those of integrity, transparency and responsible political involvement. EDP is now preparing a Policy of Representation of Interest, to be enforced in 2023, but has throughout its activity followed its principle of responsible political involvement: It prohibits any contribution or association of the EDP brand to political parties, candidates, political campaigns/candidacies or to related people or entities. This covers the direct or indirect delivery of goods or provision of services on behalf of, or representing, EDP. It also includes the prohibition on using EDP resources for actions related to political processes.

None of the group's companies have made monetary contributions or contributions in kind to political parties, although permitted in some of the legal regimes in countries where the EDP group operates.

Nevertheless, EDP participates in public decision-making processes, and engages in activities with various national, European and international institutions, with a view to conveying to public bodies their legitimate interests and/or those of the sector, which it considers worthy of consideration within the scope of legislative processes.

These activities include:

1. Awareness of specialized people and institutions

EDP Renewables undertakes awareness activities for specialized individuals and institutions according to local legislation.

In addition, and in accordance with US law, and at the request of US employees, EDP Renewables North America (EDPR NA) provides duly regulated mechanisms for the participation of employees in political processes and has established a policy action committee (PAC) called "EDPR NA PAC". The EDPR NA PAC is funded entirely by **voluntary personal monetary contributions** made by members of the PAC, who are employees,

according to US law. Decisions on which political campaigns to support are made with the approval of the PAC's Board of Directors, whose members are elected PAC members, also in accordance with US law.

The activities representing the interests of EDPR mainly involve the following awareness-raising initiatives, presented below which exclude the amounts under EDPR NA PAC.

- **Contributions to America Energy Action activities**

EDP Renewables North America contributes to the activities of America Energy Action, a social welfare organization established under Section 501(c) (4) of the US Federal Internal Revenue Code. This type of organization can legally participate in political activities by defending or opposing candidates for public office. However, these kinds of activities must be absolutely independent of specific candidates or campaigns: they can be undertaken for ideas, concepts or public interests.

- **Contributions to Non-Governmental Organisations (NGOs)**

EDP Renewables North America works with a number of organisations with social or environmental objectives, pursuing goals aligned with support for decarbonisation and the transition to a low carbon economy. This type of organisation can support a candidate with its own funds, but its communications cannot be coordinated by a political party, campaign or candidate.

- **Procurement of lobbying services**

EDP Renewables North America has lobbying consultants operating with the US Government and in some US states. These political consultants are prohibited from making contributions to candidates or political parties and campaigns on behalf of EDPR NA, to ensure that their activities never violate the prohibition on making political contributions, established with the EDP group.

2. Participation in the main European or international Sectoral or Industrial Associations

During 2022 EDP sought to raise awareness among the various stakeholders in the context of the European institutions (European Council, European Parliament and European Commission) on a number of issues central to sustainability in the field of energy, either proactively or as part of public consultations. The Energy Crisis brought upon by the Russian invasion of Ukraine enforced public European discussions on Market Design and Permitting, that revealed EDP group's commitment within the main European sectoral associations, in particular Eurelectric, WindEurope, Solar Power Europe ChargeUp Europe, European Distribution System Operators (E.DSO) or the European Federation of Energy Traders (EFET).

At the same time, to promote the development of the energy sector, its sustainability and efficiency, EDP strengthened alliances with similar parties to establish macro platforms for joint public positions that reflect the vision of the sector as a whole vis-à-vis the major decarbonisation commitments undertaken internationally. In this context, the following are of note, i) the argument for putting the development of renewables as key to guarantee the EU's energy independence, ii) the letters sent to European Commission representatives, for example supporting the RePowerEU plan and its objectives; iii) the various initiatives advocating for the publication of the Green H2 Delegated Act in order to materialize a clear framework for the development renewable hydrogen; and iv) the multiple contacts with decision-makers in different institutions seeking to contribute to opinion-forming and communicating the Company's views on such wide-ranging and decisive issues as the Market Design, Permitting, European Funds, and Biodiversity.

Membership and activity undertaken in global associations such as the World Business Council for Sustainable Development group (WBCSD); the joining at Partner level at the World Economic Forum, or at European level such as Eurelectric, or yet at national level, in the different geographical areas, such as the Portuguese Association of Electricity Sector Companies (Elecpor), the Spanish Association of Electric Energy Companies (Aelec), The Brazilian Association for the electrical grid (Abradee), The North American Solar Energy Industry Association, The American Energy Action, the Transport Decarbonization Alliance and others, clearly identify the shared and constructive path that the EDP group continues to build, advocating sound climate action, world sustainability and security, all aligned with [EDP's Human and Labor Rights Policy](#).

Advocacy to combat climate change

Active participation preparing the COP27 in Egypt; the UN Compact continuous work pursuing the EDP all green by 2030 commitment; the preparation of Davos Annual Meeting in themes like CyberSecurity or Solving for net zero through industrial Clusters, or yet the Hydrogen Acceleration, built up to behaviour and positioning commitments among energy utilities in all of these fronts, fulfilling the corporate strategy on leading the energy transition, by creating superior value on a path aligned with the ambition of the Paris Agreement. The persistent advocacy in all representations of the Climate positioning, following the Paris Agreement as stated throughout EDP's policies and public commitments, is mapped in the group's Strategy, mirroring the transparent, scrutinized, and constructive positioning of the EDP group's growth.

The 2022 commitment towards a NetZero planet can be identified at the 74% of the TOP20 external representation being relevant and involved work on Climate position Organizations, through an investment of 2,5 million euros.

From our selected TOP20 representations of interest, 98% of the work was taken through Business or Sectoral Associations, and 2% through lobbying.

3. The direct or indirect Involvement of employees appointed/designated for this purpose

At European level, the transparency of lobbying activities carried out by appointed lobbyists is ensured through the publication of their activities in the [European Union Transparency Register](#), a public register in which organizations representing specific interests in the European Union register and provide up-to-date information on these interests. Internally, EDP group has developed a [Stakeholder Relationship Policy](#), with the definition of principles and guidelines for interaction with strategic groups, in particular Employees and Politically Exposed Persons and, based on four guiding commitments: Understand, Communicate, Trust and Collaborate. There is also an internal compliance platform for registration with PEP; another to record actions and contacts established (TRUST) and a shared map of EDP's external representations in society.

Value of the activities of representation of interests

For the year 2022, the costs of representation of interests were around 6 million euros and related particularly to the decarbonisation of the economy, electric mobility, energy efficiency and security of supply. Facing the energy crisis and dealing with the European Market Design were strategic focuses, bringing Renewable Energies as key to guarantee Independence. The focus of advocacy work with the main national energy sector associations (UNESA, Eurelectric, American Wind Energy Association and TDA), above all, concerned matters related to the European Green Deal and market design, the National Climate and Energy Plans of the member states and biodiversity as a whole.

For details of lobbying activities undertaken in 2022, at global and climate action level, go to www.edp.com.

3.6.2.2.2. Tax transparency

The fiscal footprint of the group

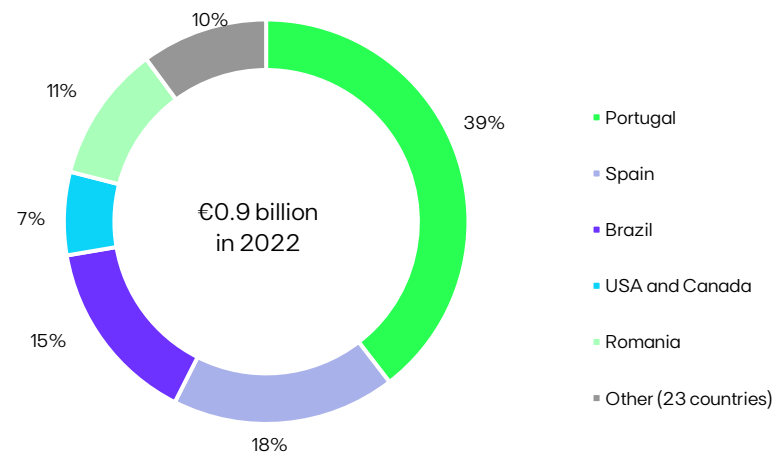
EDP is a utility present in 29 countries, the value chain of which includes the activities of production, transportation and distribution and sales of energy. These activities involve various types of taxes, levies and financial contributions which, when considered in a global manner, determine the level of taxation to which the EDP group is subject.

Of all the phases in the EDP value chain, its energy production activity is the one that contributes most significantly to the payment of taxes and other contributions.

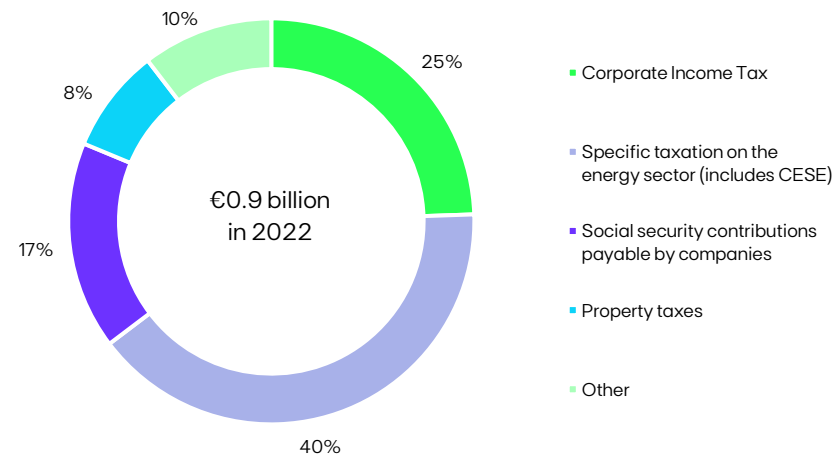
Global contribution of the EDP group

In 2022, the EDP group's overall tax contribution to the public revenue of the various countries where it is present amounted to around 3 billion euros, of which 891 million euros corresponded to taxes and contributions borne (paid) by the EDP group and 2.1 billion euros to contributions to the State on behalf of other economic actors, as seen in the charts:

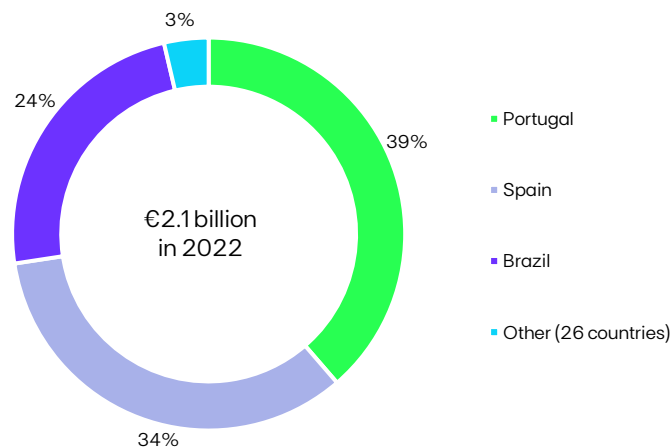
TAXES BORNE (PAID) BY THE EDP GROUP, BY GEOGRAPHICAL AREA



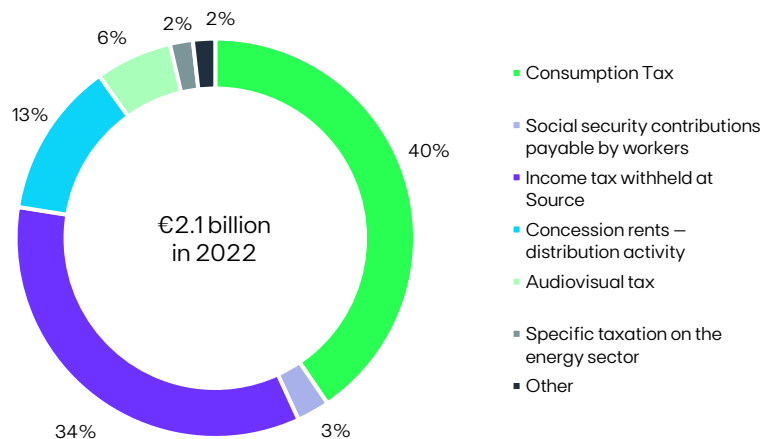
TAXES BORNE (PAID) BY THE EDP GROUP, BY TYPE OF CONTRIBUTION



TAXES COLLECTED BY THE EDP GROUP AND DELIVERED TO THE STATES (BURDEN OF OUR AGENTS), BY GEOGRAPHICAL AREA



TAXES COLLECTED BY THE EDP GROUP AND DELIVERED TO THE STATES (BURDEN OF OUR AGENTS), BY TYPE OF CONTRIBUTION



Regarding the taxes borne by the EDP group, Portugal is the country with the highest level of taxation, accounting for 40% of total taxes borne by the EDP group.

Considering the set of taxes that are the burden of the EDP group, the most relevant tranche (34%) concerns specific taxation on the energy sector (including the windfall tax paid in Romania and Italy and the Extraordinary Contribution to the Energy Sector in Portugal – ECES), followed by income tax (24%) and, finally, social security contributions borne by companies (17%).

As regards income taxes, in the main countries in which it operates, the EDP group is subject to nominal rates of taxation varying between 16% in Romania and 31.5% in Portugal, adding municipal and state surtaxes to the nominal rate in the case of companies located in Portugal.

In Portugal, taxes borne (paid) in 2022 amounted to 352 million euros, essentially underlining the burden of specific taxation for the energy sector, of which 52 million euros refers to the ECES, and 74 million euros of social tariff. To these amounts should be added 77 million euros of social security contributions payable by the companies and 92 million euros relating to other taxes and levies.

With regard to taxes collected by the EDP group and delivered to the states where it carries out its activity (third-party costs), this value rose to 2.1 billion euros in 2022, mostly associated with the collection of excise taxes (e.g.: VAT).

Specific taxation for the energy sector in 2022

In the context of energy emergency and with a view to tackling high energy prices, Council Regulation (EU) 2022/1854 of 6 October 2022 (Regulation) came into force, which provided for, among other things, the introduction of price cap mechanisms for market revenues obtained by electricity producers from, essentially, renewable energy, and a temporary solidarity contribution applicable exclusively to companies active in the crude oil, natural gas, coal and refining sectors.

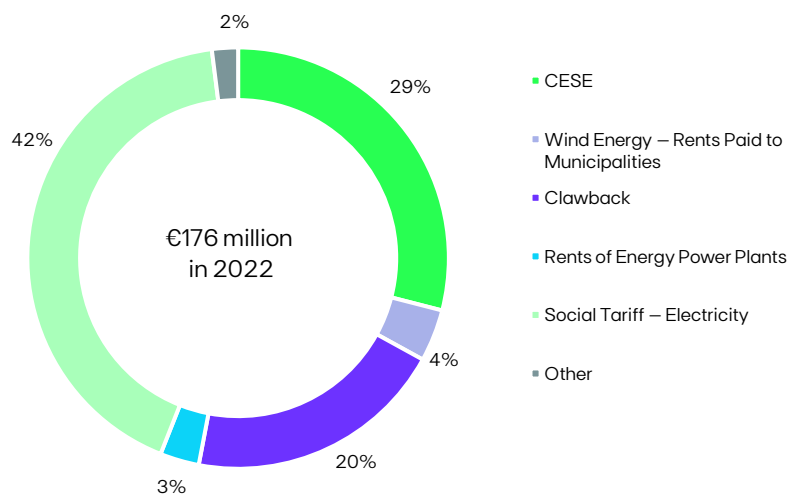
Although the rules contained in this Regulation are aimed at creating standardising measures in the European Union in response to rising energy prices, certain countries where the EDP group is present have introduced unilateral measures, giving rise to the payment of windfall taxes in Romania and Italy, amounting to approximately 95 million euros and 9.5 million euros respectively.

Nevertheless, based on the set of countries where the EDP group operates, Portugal continues to be the one with the highest level of energy taxation, both in the number of taxes and in amounts collected, having represented, in 2022, a charge of 176 million euros, as presented here:

- The social tariff consists of a discount on the electricity bill allocated to economically vulnerable consumers, the number of which has been extended over time, and which is fully financed by ordinary electricity producers. In 2022, the amount borne by the EDP group in this respect amounted to approximately 74 million euros

- In 2022, EDP group paid 51.5 million euros by way of ECES. This tax is on the net assets of the production, transport, distribution and marketing of electricity
- The mechanism to restore competitive balance between electricity producers operating on Portuguese territory and electricity producers operating in Spain (known as clawback) was created following the introduction of the Impuesto Sobre el Valor de la Producción de la Energía Eléctrica in Spain. The latter was suspended in Spain during 2022, and Portuguese legislature also provided for the suspension of clawback for the same period. However, the chart shows an amount paid of approximately 36 million euros, which corresponds to payments for the years 2019 and 2020.

SPECIFIC TAXES AND CONTRIBUTIONS ON THE ENERGY SECTOR BORNE (PAID) BY THE EDP GROUP, IN PORTUGAL, IN 2022



3.6.2.3. Transforming our Business

Alignment with the SDGs	Objectives	KPIs 2022	Target 2025
	Investment in R&D+i	289	1,000 M€
	Investment in digital	532	1,000 M€

3.6.2.3.1. Digital transformation

EDP's **Digital Global Unit (DGU)** has the mission of defining a global technological strategy and vision for the group, making EDP a truly digital organisation, integrating digital technology into its business domains and transforming the way it works and delivers value. In 2022 the DGU progressed to version 2.0, with a new organisation guided by three main objectives: (1) more global focus, enhancing an integrated and transversal approach to all the group's regions, (2) more digital, accelerating a digital transformation focused on value creation, and (3) closer to business, strengthening the partnership relationship with the different business platforms.

The **energy transition** imperative has a profound impact on the energy sector along the value chain, requiring both an increase in electricity consumption in the final energy consumption mix and an increase in renewables in the electricity production mix. These two conditions imply not only a change in technology and customer behaviour, but also a more robust integration of energy systems, only feasible through a true **digital transition**. In this context, digital transformation plays a key role in the Energy Transition - digital transition technologies such as Cloud, Big Data & Analytics, Artificial Intelligence, IoT, AR/VR and Blockchain will be key for the energy sector in its energy transition journey, as enablers and also as accelerators.

In this way, digital transformation is a central part of the EDP group's strategy and is fundamental to achieving the ambitious commitments of the 2021-25 strategic plan and EDP's vision of leading the energy transition. Therefore, EDP has committed to invest a total of €1 billion CAPEX in digital transformation in the period of the present strategic plan.

Digital transformation at EDP is based on three key points:

- **digital strategy**, setting priorities for digital transformation and ambitious targets in close collaboration with the business, and monitoring developments with an integrated overview
- **digital products**, accelerating the digitalisation of business with the introduction of new technologies and digital tools, which create value for all EDP stakeholders
- **digital culture**, driving the adoption of new, agile and collaborative ways of working, and the attraction, development and retention of talent.

EDP's digital transformation is transversal to all businesses, and to all its people, processes and tools. In addition, it has a transversal contagion effect on the group's wider stakeholders' ecosystem, with special emphasis on the digital acceleration of partners and suppliers, in Portugal and in the different countries where the group operates.

Digital Strategy

To steer the group towards the intended digital transformation, ambitious objectives have been set in the group's various business and operating strands, reflected in the group's **digital KPIs**. By 2022, some of these Digital KPIs have already reached the goal set for 2025, according to:

Strategic pillar	Target 2025	KPI 2022
Digital Culture and ways of working	75% Agile adoption in IT	76%
Data centric decision making	90% Predictive maintenance in generation	65%
Efficient operations	95% Digitalized processes	83%
Digital 1 st and new business	70% Customer selfcare interactions	72%
Zero trust security	≥740 Cybersecurity BitSight rating	810

The levels achieved by these digital KPIs reveal EDP's robust digital performance, which has allowed the group and its businesses to reach high levels of **digital maturity**, according to the annual assessment carried out by external entities.

In 2022 the **digital roadmaps** of each group platform were also updated, defining a digital ambition both at group level and for each business, prioritising and giving visibility to a group of digital initiatives focused on accelerating value creation.

Digital projects

The adoption of disruptive digital solutions by the business accelerates its digital transformation, boosting performance improvement and value creation for the different stakeholders, involving them in the various stages of product development.

As of mid-2020, and the current digital product portfolio of Digital at EDP covers four distinct typologies, depending on their duration and scope, namely:

- **digital boost:** integrated and transformational solutions, which promote significant changes in organisation, processes and ways of working, of entire areas (development >6 months)
- **MVP (Minimum Viable Product):** solutions, based on Agile methodologies, that deliver a tool ready to operate with the necessary and sufficient functionalities for the business in a short period of time, and that can be subsequently scaled (development 3-4 months)
- **scale-up:** solutions that allow a previously delivered solution to scale up with additional functionalities, integrations and/or scope, boosting the adoption and impact of the original solution, as in the case of MVP, for example, (development <3 months)
- **quickWin:** agile and pragmatic solutions that solve a business problem by leveraging standard tools like Office365, PowerBI, MSTEams, PowerAutomate, or new ways of working, like Virtual Communications, Design Thinking (development <1 month).

In 2022, EDP focused on delivering more global solutions, transversal to the group's different businesses and regions, leveraging synergies, opportunities and efficiency, **with more than 100 digital products having been delivered** to the business during this year, of which we highlight:

- **Digital4Vega:** a solution that uses artificial intelligence to predict vegetation growth near the power grid, supporting the identification of necessary interventions
- **trading decisions tool:** analytical models to support renewable energy traders' decision-making in scenarios of uncertainty or volatility, reducing the associated risk
- **documents & files security:** cataloguing, cleaning and migrating ~120TB of files to the cloud, boosting security and employee productivity

- **due diligence automation:** automation of the Due Diligence process, ensuring compliance with the procedure established by EDP in alignment with the money laundering law
- **EDP Yes (You Empower Society) website:** independent website for the presentation of all the group's social investment projects and respective content management
- **analysis of the proximity of fires to power lines:** solution for monitoring fires close to power lines, triggering the dispatch of a team to the field to assess/prevent damage to assets and the population
- **customer communications' centralized management:** application for centralized management of customer communication templates and massive change management, making communication with customers clearer and more effective
- **fleet Management Tool:** mobile application that allows employees to book service vehicles, including the possibility of "offering a lift", reducing the environmental impact of corporate travel.

Digital Culture

Digital transformation is only possible with the change of the organisation itself, implementing a digital culture common to the entire group, materialised in the adoption of new ways of working and a digital mindset by all employees.

For the implementation of this digital culture, in 2022, EDP stepped up the pace for developing different digital communication and collaboration initiatives, such as:

- **digital talks and clinics (seminar):** interactive sessions in online format, to increase knowledge on digital topics, with 66 sessions having been promoted in 2022 that addressed topics such as artificial intelligence, cybersecurity, blockchain and automation and that made known some projects developed in the EDP group
- **DGU Weekly:** weekly newsletter sharing the main events and progress made at digital and technological level in the EDP group by DGU
- **Digital Global Community:** virtual community that promotes collaboration and sharing of knowledge and experience on digital technologies and methodologies (e.g.: IoT, AR/VR, Blockchain, Agile), currently with over 1,700 members

The creation of this **Digital Global Community** resulted from the strategic review carried out in 2021 on the positioning and objectives of the 9 Virtual Communities developed in 2019, which led to 4 Global Communities being launched in 2022, including this one dedicated to Digital. The launch of this new Community - part of initiative #21 of the Changing Tomorrow

Now... With You programme, which is part of the strategic axis Future proof organisation – developed by the Digital Global Unit (DGU) in partnership with P&OD, aimed to bring together employees with high knowledge and experience in the digital area, as well as those with an interest in increasing their knowledge of the topic, promoting a more global, agile and efficient company. New dynamics were created in the communities that, combined with the pre-existing ones, contributed to an increase in participation.

Within the scope of **digital training and upskilling**, training is a decisive element in the development of the employee's digital skills. In 2022, EDP continued to strengthen the diversification of its training offer in digital topics, complemented by informal on-the-job and collaborative learning. In addition to the focus on e-learning courses produced in-house, this year the offer was enriched with the subscription and availability of the Udemy platform, reinforcing the democratisation of access to content in self-service format.

The training offer of digital content, provided by EDP University with the support of the DGU, addresses themes such as Digital Transformation, new ways of working, Design Thinking, Cloud, AI and advanced analytics, among others. In 2022 there was a high level of performance in digital training: 9,095 employees of the current staff were trained in digital topics, and during the year 31,239 hours of training were given, of which 95% were given in remote formats (live online or e-learning), providing increasingly flexible and global learning.

At the same time, EDP has been strengthening its focus on training group employees in the use of collaborative and productivity tools, which are increasingly essential in a hybrid working model supported by technology.

Externally, EDP also has a proactive presence in **international forums** on digitalisation, such as participation in Eurelectric working groups (e.g.: [Digitopia Working group](#)), where it contributes to the sharing of best practice and promotes the development of the electricity sector at European level, and leadership and participation in R&D projects in the sector, critical to its transformation and digitalisation (e.g.: www.e-redes.pt/pt-pt/transicao-energetica/projetos-europeus/euniversal).

Additionally, EDP also participates in initiatives that promote **digital transformation and inclusion**, of which we highlight Digital with Purpose and MUDA.

- **Digital with Purpose**

After EDP joined Digital with Purpose (DWP) in 2021 – an initiative of the Global Enabling Sustainability Initiative (GeSI), whose main objective is to promote the progress of the technology industry combined with sustainable practices – it participated, in 2022, in the **DwP Assessment**. EDP's result in this evaluation allowed for an increase of one level in the classification attributed by this organisation in comparison with the previous year. Additionally, EDP sponsored and actively participated in the DwP Global Summit 2022 event, held in Lisbon on 23 September 2022.



- **MUDA**

The digital projects developed for the different EDP group business units resulted in the creation of a number of products contributing to the digital inclusion of customers: Making services available online, electronic invoicing, interaction through mobile applications and attendance by virtual assistants are some of the products that improve service efficiency and speed, as well as customer satisfaction.



EDP has been a partner of MUDA – Movimento pela Utilização Digital (Movement for Digital Utilization) since its launch in 2017. Promoted by several private entities and the Portuguese State, it has merited recognition from the European Commission since 2018, under the DESI (Digital Economy & Society Index), namely for the actions it developed to enable all citizens to have access to information (i.e., reducing information-exclusion) and benefit from digital transformation through the acquisition and development of digital skills (inclusive and participatory).

In 2022, the following themes, developed or supported by MUDA, in which EDP actively collaborated, were of note:

- **digital and social inclusion with democratisation of internet use in Portugal, including:** (1) The "EUSOUDIGITAL" Programme to increase the digital literacy of adults in the use of the Internet, through 175 centres and +5,000 volunteer mentors; (2) "MUDA NUM MINUTO" Programme on RTP1, RTP3 and Antena1; (3) "Chave Móvel Digital para todos" Programme extended to services in companies, with EDP being a pioneer
- **Encouraging the use of online business and state services with "MUDAR É GANHAR", including:** (1) Activation of more than 1M codes with the participation of 1.5M people, offering +5,700 prizes in 5 months of the contest; (2) EDP's contribution with +127k codes activated (top 3), +86% vs. the previous year, and award of ~1,200 prizes
- **EDP's active participation in the Digital First Initiative**, with the aim of guiding the determination of targets and public policies for the Digitalisation and Administrative Modernisation of Portugal that will enable a Digital First economy and society to be built. The results of this initiative will be presented at a conference in March 2023
- **Promotion of EDP initiatives on the news portal [MUDA EM CASA](#)**, in which articles were published on EDP Services such as Planeta Zero EDP, NOS and EDP together for a greener future and how to optimise energy consumption, with the help of EDP.

3.6.2.3.2. Innovation

Overview

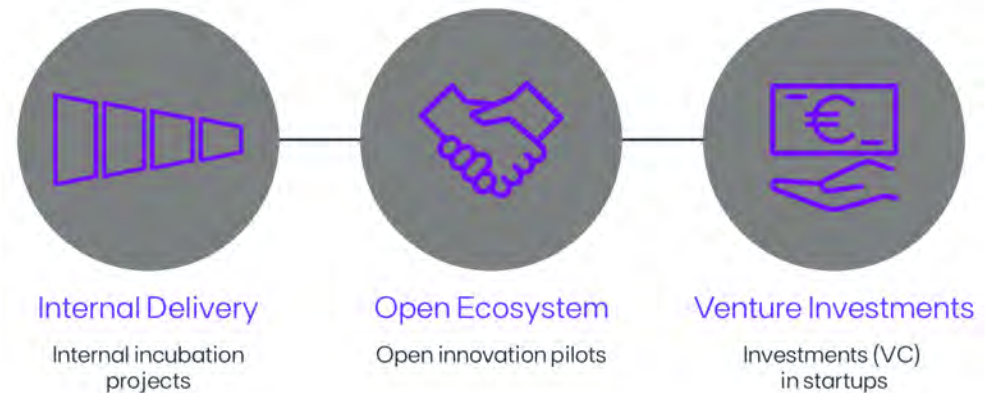
Innovation has long been a traditional investment priority for EDP, with EDP Inovação (EDPI) as the key promoter for innovation within the group. It was established in 2007 with the objective of creating an autonomous entity responsible for internal innovation activities as well as fostering stronger links with the entrepreneurial ecosystem.

EDP's innovation operating model is based on a fast adopter logic with a well-defined purpose of accelerating new businesses with impact and promoting the rapid adoption of innovative solutions to lead the energy transition. It seeks to solve the energy transition problems through the integration of new technologies, processes, and products, as well as innovative business models in EDP's business to enhance competitiveness and create value for stakeholders.

EDPI follows an Open Innovation philosophy that engages and promotes adoption through three innovation paths that act in parallel and complementary to one another, fed by a

transversal sourcing process, namely: internal delivery (innovation portfolio developed internally), external partnerships through the open innovation ecosystem (start-ups, corporates, universities, among others), and external investments through EDP Ventures.

INNOVATION STRATEGY TO BE DELIVERED THOUGHOUT 3 INNOVATION AVENUES



These innovation avenues are supported by the right funding and investment, coordination, and expertise development to ensure EDP is at the forefront of market trends and innovation. EDPI also ensures the development and management of the infrastructure to disseminate innovation culture and best practices across the organization, fostering both entrepreneurship and intrapreneurship.

EDPI focuses on seven (+one) innovation domains aligned with corporate strategy and market trends, which positions EDP along the energy industry value chain.

- Renewable energies, their integration and flexibility, to help EDP achieve its renewable energy targets
- Networks, an enabler of the energy transition
- Distributed energy systems that support B2B and B2C customers in developing their distributed generation solutions
- Green hydrogen to support the energy transition in sectors whose activity is preponderantly dependent on carbon-emitting solutions
- Energy storage and flexibility, which tests new storage technologies, flexibility management

- Sustainable mobility, which supports EDP customers in their transition to electric mobility and provides associated services
- Decarbonisation of energy uses, which supports EDP customers' decarbonisation efforts by developing new solutions and speeding up their adoption
- Moreover, EDPI continuously searches for new solutions. The “Open Box” domain creates space for ideas/projects to be developed that do not fit rigidly into any of the other domains.

start delivering the first opportunities within the innovation funnel. 2022 also marked the return of the face-to-face events, with editions of the Free Electrons and Energy Starter, in Chicago / São Paulo and Oviedo, respectively, and a large presence of EDP teams at the Web Summit taking the Innovation at EDP and its message to the largest global Innovation and Technology conference. In terms of investments, this was also a particularly exciting year, with new portfolio companies totalling ≈€14 million invested.

Overall, 2022 was a very important consolidation year, setting the stage for the ambitious goals for the forthcoming years.

Internal delivery

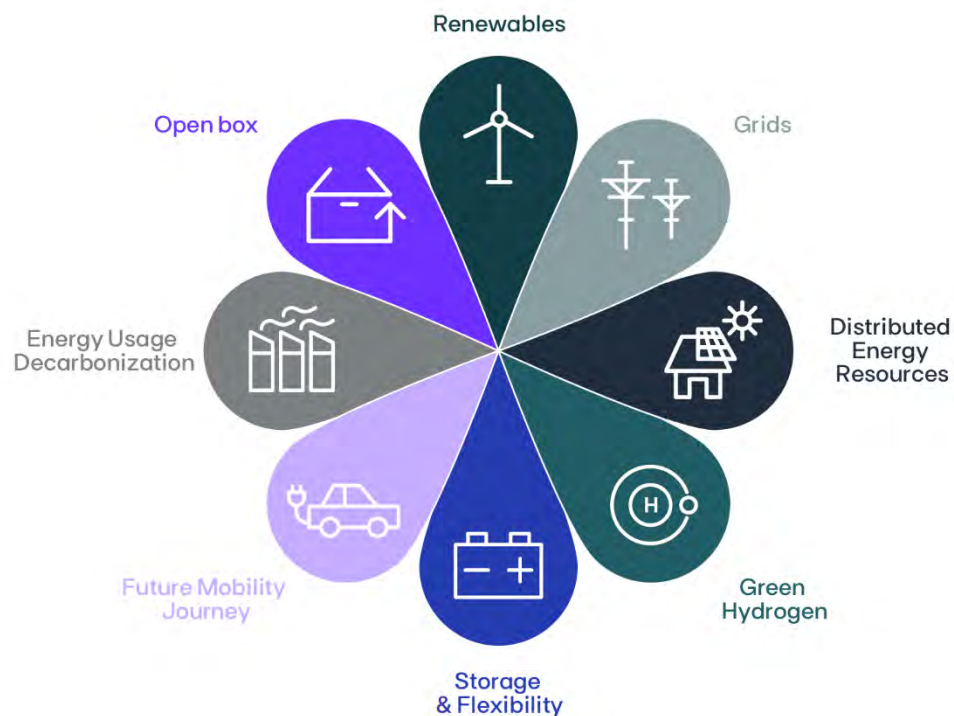
This was the first year of the new internal incubation process, developing an internally sourced portfolio (though internally and externally scouted), supported by a de-risking funnel from opportunity to scale-up solutions & businesses, aligned with EDP strategy and priorities.

20 new emergent business opportunities (EBO) were submitted for evaluation of a global innovation decision committee. Based on its merit to move-forward, and competition for resources between opportunities, 11 EBOs were selected. Out of these, three were later stopped at the Validation phase and today eight impactful projects are moving on. 2022 set the stage for a business scale-up expectation already in 2023 with two projects in the build phase.

Below are some of the projects in the funnel:

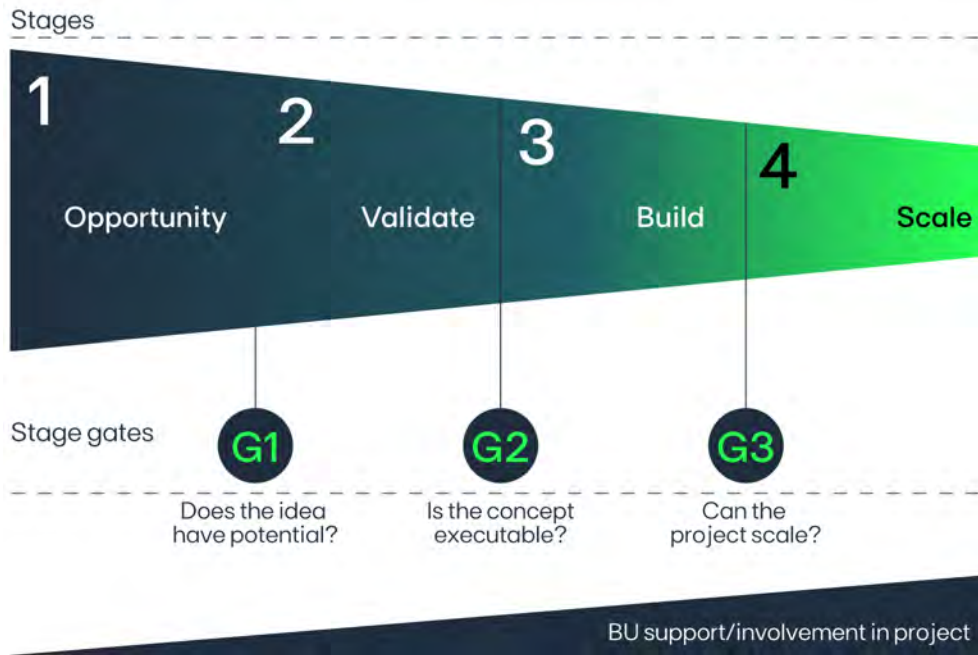
- in the validate phase - The Automating PVs Installation project – with the objective to incorporate advanced solutions to automate critical construction tasks of utility-scale solar PV power plants. Relevant cost savings can be achieved by a mindset shift of the installation process from construction to manufacturing
- in the build phase - The Going Net Zero project – with the objective to help C&I customers to decarbonize by a digital platform able to offer fully automatized one fits all emissions assessment and reporting with advisory-based service, able to prescribe detailed reduction plans.

All these 11 EBOs involved six different EDP business units and more than 100 people across geographies.



2022 in summary

Last year marked an important milestone at EDP in innovation: Following the definition of the innovation model last year, 2022 was a year of consolidation. EDPI aligned and prioritized its opportunity spaces along its domains for greater team focus and also reinforced its team to



Open ecosystem

The year 2022 represented a return to the execution of Open Innovation programs in face-to-face format, particularly the Free Electrons (founded by EDP, it is already in its sixth edition with a total of +4,000 start-up applications and +\$80M investment) and Energy Starter programs, with execution in multiple geographies, as well as the carrying out of pilot projects with start-ups. Among the multiple programs in which EDP was involved in 2022, there were +1,000 start-ups evaluated, +100 meetings to explore opportunities with start-ups and nine pilots started with new solutions and technologies.

- In 2022, two face-to-face events of the Free Electrons programme were held in Chicago and in São Paulo. In São Paulo, EDP was the main host, receiving 15 start-ups, more than 30 intentions of pilots, five of which are pilots with EDP. There was also an open day of the Program with an exposure to the Brazilian ecosystem of Free Electrons projects and initiatives, involving more than 150 participants in person and almost 500 digitally
- During the year, the Energy Starter program was restructured in line with EDPI’s recent innovation model and corporate strategy, comprising three verticals: Grids, Renewables

& Green Hydrogen, and Customer Solutions. Within Grids and Renewables & Green Hydrogen, the first session took place with four pilots approved, as well as a face-to-face bootcamp in Oviedo. Sessions on Customer Solutions are expected for 2023. The Energy Starter program engaged more than 100 people from EDP in multiple geographies and business units

- From the pilots kicked off in 2022 the most remarkable ones are with Power to Hydrogen, a US-based start-up focused on electrolyser technologies, that kick off a two-year pilot with a consortia formed by EDP and three other major energy player across the world which can lead into a Venture Capital investment; the second pilot project to highlight is a collaboration between EDP Innovation and E-REDES to further develop technologies for voltage control together with three start-ups – Elexys, Idenergie and IONATE – that will support grid improvement and reliability.

Ventures

2022 was a remarkable year for EDP Ventures:

- record year in terms of investment: ~14M€ of venture capital investments (compared to ~5M€ of average annual investment in 2018-21)
- seven new portfolio companies added to the portfolio, across different domains
- first investment in Green H2 domain (Hysilabs, which developed a novel hydrogen carrier technology able to transport and store H2 in a liquid state)
- first investment in Singapore (Green Li-ion, which developed a technology to rejuvenate li-ion batteries)
- significant rounds raised by portfolio companies, namely Sepio Systems, Probely or Yotta Energy
- EDP Ventures has sourced +550 start-ups
- sponsorship of Ecosummit and Energy Tech Summit event, giving additional visibility to EDP Ventures within the VC climatech ecosystem.

Current portfolio is composed by 38 companies across all the innovation domains from several geographies, from USA to Australia and offers high valuation and exit perspectives which result from solid pipeline and high internal and external sourcing efforts.

During 2022, there were several collaboration projects between companies in EDP Ventures portfolio and EDP business units, in several geographies, contributing to innovation within the group; currently, +90M€ of total contract value was closed between portfolio companies and

EDP group. Several opportunities with relevant tickets are in negotiation and expected to close during 2023.

Innovation enablement and expertise

Last year market a significant dissemination of the innovation culture across the organization: EDPI initiatives reached 830 internal audience FTEs (with 15% participating in more than one initiative) and a further 1,482 colleagues from 29 corporate areas and 22 different countries via our online Innovation Global Community.

Below are some of the highlights:

- the Innovation Immersion Program in Tel Aviv immersed 15 colleagues from 12 Business areas and three Geographies. In 1Q 2023, to the program will take and extended delegation to visit Singapore's innovation ecosystem
- the Innovation Global Community, with its +700 subscribers from 15 countries and 22 Business areas hosted 16 live sessions and five workshops with over 1 500 participants since its launch in February 2022
- once again, EDP returned to the Web Summit conference with a delegation of 185 EDP colleagues from four countries and 15 business areas, and Executive Board speaking opportunities on the Planet Tech and Corporate Innovation stages. During the four days EDP registered 1,230 participants' engagements on the EDP stand and in parallel over 600 meetings were held with prominent stakeholders that led to +200 qualified Innovation leads
- groundbreakers brought together 82 colleagues, from 12 business areas, ten nationalities and the five Innovation hubs at EDP, the first in person meeting of the Innovation Global Team.

In parallel, EDPI was also particularly active this year in the development of expertise on the Energy Transition, bringing significant value added to the Business Units and for top management decisions.

Final remarks

Overall, 2022 was very important consolidation year, which reinforced the importance of the innovation at EDP, and of EDPI in catalysing EDP's businesses and providing optionality for potential future businesses for the group.

3.6.2.3.2. Research and development

EDP NEW – Centre for NEW Energy Technologies is EDP's Research and Development Centre, fully dedicated to the development and implementation of innovative / R&D projects across different areas of the energy sector.

NEW adopts a collaborative approach to innovation, partnering with EDP's business units and multiple European institutions, companies and universities to develop large R&D projects leveraged by public competitive funding for Research and Innovation – like the European Commission's Horizon 2020 and Horizon Europe programs. EDP NEW's current project portfolio includes nearly 40 ongoing projects covering all the 7 (+1) innovation domains in EDP's innovation model. These projects focus on developing, testing, validating and scaling-up innovative concepts, technologies and business models that contribute to EDP's objectives and to the global decarbonization targets. Organized around five technical areas closely matching the innovation domains, NEW currently boasts over 50 researchers with distinctive and increasingly diverse academic backgrounds and profiles and complimentary skillsets.

Since its establishment in 2015, NEW has secured close to €30 million in funding for R&D and innovation for EDP, which have supported NEW's growing and sustainable operation based on an agile, project-based structure complimented by international technical consultancy and partnerships.

NEW is also continuously scouting for emerging solutions and technologies in the energy sector and beyond, crucially supported by its wide network of 700+ top tier partners across Europe, to continue to create knowledge and help shape the energy future through applied R&D.

Case studies: key projects at EDP NEW

EU-SysFlex

EDP was one of the leading partners in the recently concluded R&D project [EU-SysFlex](#). This project aimed to contribute to the acceleration and massification of deployment of renewable energy. For four years, the project's 34-partner consortium developed and tested several flexibility tools to help ensure a stable, safe and reliable integration of large shares of variable renewables in the European power system. Pilots of the various solutions created were carried out in 6 different European countries, including Portugal, with EDP taking the lead of the demonstrations of two concepts. One was a utility-scale Virtual Power Plant (VPP), for the joint operation and management of variable (Wind) and controllable renewables units (Hydro). The successful tests in operating EDP's assets established the VPP as a powerful generation portfolio management tool which may prove an alternative option to enable the participation of variable RES in energy markets. The other concept, the Flexibility Hub, is a new market platform to source and integrate flexibility from the various players in the power system – consumers, grid assets – and then use this flexibility to ensure grid stability and reliability.

POCITYF

The [POCITYF](#) project is coordinated by EDP and is aimed at creating positive energy blocks – zones of a city with an annual positive energy balance: locally-produced renewables energy superior to the energy demand. The project covers the heritage cities of Évora, Portugal and Alkmaar, Netherlands, as well as six more fellow cities spread across Europe.

Through the implementation of these positive energy blocks, POCITYF aims to transform the urban fabric of these cities, with relevant cultural and historical areas, more affordable, healthy, accessible and reliable for its citizens. In Évora, building integrated PV innovative solutions, such as shingles and glass, will be installed respecting the architectonic and cultural heritage of the city. Additionally, a Community Solar Farm will be built, and second life residential batteries will be used, together with a P2P energy trading platform and control algorithms to provide flexibility and market services.

3.6.2.4. People management

Alignment with the SDGs	Objectives	KPIs 2022	Target 2025
	Employee Engagement	84%	High performance company
	Female employees	27.5%	30%

3.6.2.4.1. Our purpose

EDP is committed to evolving as a global, agile and efficient organisation, with a people-centred approach that seeks to attract, develop and retain the skills needed to meet the challenges of the future.

In order for EDP to be a truly future-proof organisation, an ambitious People and Organisation (P&O) strategy has been defined, with the intention of fulfilling the following in the coming years:

- provide its people with a human and meaningful experience, through global purpose and skills, and concrete measures of wellbeing and flexibility
- focus on attracting and retaining internal talent, through a strong global strategy of employer branding and onboarding, as well as a customised career and development strategy
- foster growth opportunities for all employees in an engaging manner, in line with a global development mindset
- invest in collaboration and promotion of mobilities as a way of sharing knowledge, and individual and organisational development
- treat diversity, equality and inclusion as catalysts for innovation
- promote agility and efficiency through the improvement and digitalisation of processes in order to reduce decision-making time
- use the global tools of *people analytics* as instruments to support decision-making and strategic planning.

The major events of 2022, which continue to transform the global labour market, reinforce the importance of today for the changes of tomorrow and of preparing EDP for the challenges of the future whilst at the same time meeting the needs of its people, which has grown significantly compared to 2021:

- increase of 7.4% in the global population (906), considering the inclusion of six new markets and 19 new headcount companies, representing 17 new nationalities
- increase of 1.6% in voluntary turnover (5.7%)
- increase of 0.8% in the global representation of women (27.5%) and of 1.9% in leadership positions (28.4%)
- generations Y and Z already represent around 61% of the global population, with an increase of 5.5% of generation Y in leadership positions (42%)
- growth of 1.4% of people working outside their country of origin (3.6%), in a reality where 60% of the global population continue to work in a hybrid model.

Considering the current size of the EDP group, the work developed in terms of people management in 2022 was based on the activation of a new people narrative through the integration of a global purpose, supported by 12 human skills, in the main people management processes, strengthening the sense of belonging and pride in employees:

Our energy and heart drive a better tomorrow

3.6.2.4.2. Our energy

Is the strength, legacy and motivation of EDP's people to deliver green energy continually, leading to an increasingly empowered organisation.

Organisation

EDP seeks to promote the sharing of best organisational practices and ensure the delegation of skills and digital tools suitable for the fulfilment of its objectives.

In 2022, the transition to a management model by business platforms continued, with the unification of the Generation platform (Portugal and Spain) and the implementation of the Client Solutions, Networks, Shared Services and Energy Management platforms. In addition, platform KPIs were added to the organisational performance management model and global guidelines were approved for a greater Span of Control, a decrease in the number of

management levels (from seven to five) and a general reduction in the weight of Enablement Functions.

Efficiency and decision-making

In 2022, the efficiency of the P&O and decision-making systems was also assured, with the implementation of various improvements that allowed a reduction of more than 1,300 hours of work and the introduction of five new attributes in the About Me platform, allowing greater refinement of people data.

To continue improving the efficiency of its processes, a three-year digital roadmap was also followed up in 2022, with the aim of improving digital maturity, governance model and P&O reference architecture.

Cooperation

EDP has also been discovering new opportunities to bring its people together, through digital collaborative tools such as virtual global communities. Currently, EDP has already implemented eight global communities (Finance Ahead; ESG; People & Organization; Global Energy Management; Brand & Communication; Innovation; Digital; Generation), connecting more than 30% of the global population and providing access to content and initiatives in an innovative and customised way to each functional family.

3.6.2.4.3. Our heart

People are at the heart of EDP's strategy, and this dimension of its global purpose reflects their importance and fundamental role in delivering the organisation's commitments to customers, partners and communities. Recent years have led the EDP group to rethink its working models in favour of a more flexible and balanced working environment and to an active listening strategy that has demonstrated the organisation's work in this direction.

Organisational climate

The organisational climate constitutes a fundamental, active-listening tool for monitoring different dimensions of employee experience, and the 2022 climate survey had the participation of 93% of EDP group employees.

In terms of engagement, it was found that 84% of employees feel involved with the company, where the majority show pride in working for EDP (89%) and would recommend EDP as a great place to work (80%). In terms of empowerment, it was also concluded that 72% of employees have a high perception of organisational support, where 79% feel they have the opportunity to carry out challenging work and 75% believe that their skills and abilities are well used.

Rewards and benefits

The work environment at EDP must also create global conditions of equality and recognition. Therefore, in 2022, and through the global compensation strategy defined in the previous year, it was possible to standardise compensation concepts in all EDP markets and define a global compensation strategy, encompassing annual base salary, short and long-term incentives, customised competitive benefits and guidelines for total remuneration of merit programmes. Furthermore, the organisational segments associated with a set of job grades were reviewed and a new functional family model was defined, fostering branching career paths.

EDP globally assigns long-term incentive plans to the Top Management segment and critical positions in the Senior Management segment. The Executive Board of Directors (EBD) considers the attribution of these incentives as a tool for attracting and retaining talent, focusing on achieving results, and complying with the business plan.

Flexibility and welfare

In 2022, in addition to consolidating its hybrid working model, EDP extended Flex Fridays to all its markets, a voluntary measure to make working hours more flexible, allowing employees to adapt their weekly working hours and not work on Friday afternoons.

Throughout 2022, continuity was also given to the global strategy of well-being defined in the previous year, based on five pillars (physical, social, professional, financial and emotional). To this end, global awareness campaigns have been developed (e.g.: Global Well-being Week; Mind Your Mind) to encourage the adoption of healthy behaviours, the accountability of the organisation's leaders was promoted and the global offer was revised and simplified for better communication and access to the different channels and helplines.

In recent years, EDP has promoted the Mind your Mind campaign in order to raise awareness of the importance of mental health. As part of its global well-being strategy, this campaign calls for preventive behaviours and publicises the various assistance and support services available, through different types of initiatives (eg., talks, workshops, testimonials).

Gabriela Pesente, an EDP Brasil employee, shared her personal experience through one of the initiatives of this campaign, the "Trust Space".

"Here at EDP, I have always been lucky to have managers I could talk to, but I have also had other people I could always talk to, such as in the health area, always available, work colleagues. So, I think that as a company, we have to be aware of how significant we are in the life of the individual and keep the doors open to give a person access. When I make myself vulnerable before another person, they know they can count on me."

Gabriela Pesente,
Planning Consultant, EDP Brasil

To access the full interview, [click here](#).



Gabriela Pesente



Maite Schneider

In 2021, EDP Brazil launched the first electrician school exclusively for trans people, a pioneering initiative in the electricity sector. There were two classes, both formed in June 2022, and of those 19 people, 73% are now members of staff at EDP or its partners.

formation of this school is one of those moments. A project that goes beyond employability and thinks about equity and real inclusion, that builds bridges across such a giant abyss of multiple inequalities. I am proud to be part of this beautiful seed that will now not stop producing good fruit."

"I've been working with the transgender population since 1990, and I can count on the fingers of one hand the number of truly revolutionary projects that actually changed the lived experience of this truly excluded and forgotten group. Without a doubt, the

Maite Schneider,
TRANSEMPREGOS Cofounder

Diversity, equality, inclusion and sense of belonging

By ensuring fairness and inclusion for its people, EDP is also creating a more diverse working environment. To reflect the EDP group's maturity in these matters, the acronym DEIB (Diversity, Equity, Inclusion and Belonging) was adopted in 2022 and included in the revision of the Global Policy, which determines a set of responsibilities and mechanisms to promote a more human and innovative company.

In addition to various awareness-raising initiatives and continued efforts to promote increasingly inclusive recruitment, the first Global DEIB Council was held in 2022, which set out the priorities for the next business cycle, and the Gender Equality Plan (2022–2023) and Equal Pay project were reviewed, ensuring internal cross-cutting practices to guarantee pay parity.

3.6.2.4.4. Our impetus

This dimension of EDP's global purpose reflects its ambition of, and leadership in, bringing about change as an organisation prepared for the challenges of the future.

Talent attraction

For EDP, it is essential to develop a strong employer branding strategy that is increasingly global and attractive, which, in 2022, meant revising its employee value proposition to reflect the company's global positioning and its flexible, inclusive and development-oriented culture.

Overall, in 2022, the EDP group impacted more than 55,000 people, through more than 190 initiatives and strong positioning on its main social networks, which resulted in more than 500 people-related content. In addition to this digital communication, EDP used other digital tools to strengthen its relationship with candidates – for example, a monthly newsletter with 6 issues and around 80 mail shots.

In 2022, the attractiveness strategy gave rise to more than 235,000 applications in EDP's different markets, resulting in 1,797 admissions and 647 internships, mostly with fully digital recruitment processes.

In 2022, the first global Onboarding experience was also designed and the EDP group's Mobility Policy revised, processes that play a fundamental role in attracting and retaining employees.

These efforts resulted in several distinctions, such as a new recognition by the Top Employers Institute, highlighting the EDP group's strong positioning with candidates and employees, and its dedication and commitment.

Talent development and management

2022 was a turning point, with the implementation of a global development model based on a holistic assessment of the employee, considering his/her past individual performance, his/her skills in the present and his/her capacity to face future challenges. This mindset is supported by regular development conversations and a new learning and development experience, which enables access to a myriad of on-demand content. The change management process for this mindset involved over 300 sessions and over 9,000 employees.

Throughout 2022, a new development approach was also established for EDP's leadership, characterised by a focus on prioritising topics related to the areas of leadership, digital, innovation, safety, ethics and compliance. By 2022, total EDP group training was more than 200 thousand training hours.

The EDP group's employee succession plan is also crucial to ensure the continuity of the business, acting as an important people management tool. In 2022, objective criteria were defined to continue to build a global and diverse leadership pool, with the succession exercise involving the positions of the Top and Senior Management segments. As a result of this exercise, 173 successors and 355 potential career moves for 71 Top Management positions and 620 successors and 1,125 potential career moves for 290 Senior Management positions were mapped. Considering EDP's growth, the competitiveness of the market and the scarcity of talent, several customised development initiatives for these segments and their successors were also ensured in 2022.

3.6.2.4.5. A better tomorrow

EDP's current strategy sets out ambitious commitments for the coming years, allowing it to become a future-proof organisation focused on providing a better tomorrow for current and future generations.

In this sense, EDP's P&O strategy will continue to focus on meeting the challenges of attracting, developing and retaining the skills needed to meet the challenges of the future, ensuring:

- a global organisational design strategy that supports management by platforms
- a strong employer branding strategy to attract the best talent
- greater digital maturity and efficiency of processes
- greater collaboration through the implementation of new global communities
- an inclusive and flexible working environment that promotes well-being
- a culture geared towards learning and development that holds employees and leadership accountable.

With people at the centre of its strategy, EDP will thus continue to work towards an increasingly human and meaningful experience for all its employees, guaranteeing that what we do today makes a difference tomorrow.

3.6.2.5. Health and safety

Alignment with the SDGs	Objectives	KPIs 2022	Target 2025
	Severity index (employees and contractors)	118	<150
	Fatal accidents (employees and contractors)	5	0

EDP uses Humanisation as one of its fundamental values and places people at the heart of its strategic agenda. Safeguarding the health and safety of employees (both inside and outside the group), suppliers, external service providers (ESP), customers and stakeholders, is an EDP group priority. For the group, no situation or emergency can justify endangering a person's life!

In fact, EDP guides its action in this matter by the principles established in the Health and Safety at Work Policy, a binding document that covers all group employees and external service providers, making the entire hierarchical structure responsible.

To this end, the EDP group requires everyone to adopt practices in line with the principles of this policy, in order to ensure continuous improvement.

Safety practices

AUDITS, INSPECTIONS, VISITS AND OBSERVATIONS

74,642

The implementation of EDP's annual occupational health and safety programme was based on a set of actions aimed at preventing occupational accidents, as measured by a reduction in the frequency rates and the seriousness of accidents and occupational illnesses, and included training for EDP employees and service providers, the ongoing evaluation and control of labour risks and the implementation of an internal and external inspection and audit programme of EDP facilities and works.

TRAINING EDP WORKERS AND ESP

349,741 h

The Plan of Strategic OHS Objectives contains the repository of commitments and initiatives undertaken by the different organisational units for the execution of the six vectors of intervention defined on a strategic and corporate level, concerning OHS approved for 2020/25: (1) Commitment of leaderships to OHS; (2) Behaviour, preventive activities and learning from mistakes; (3) Streamlining, digitalising and standardising OHS processes in the EDP group; (4) Skills; (5) Communication and involvement; (6) Management of OHS in the contracting of SHP.

With regard to emergency preparedness and response, 460 simulated drills were carried out throughout the EDP group, covering various industrial, administrative and construction sites, in order to test the effectiveness of the planned response capacity in potential emergency situations. These drills included the participation of the civil defence force, the fire brigade, police and public safety authorities, as well as employees, service providers and the surrounding communities.

In order to prevent electrical accidents involving third parties not involved in the group's activity, EDP ensures that the risks associated with its facilities and equipment are identified and communicated. However, in 2022 there were 41 accidents of electrical origin with third parties, which resulted in the deaths of 14 people. These accidents were the result of civil construction activities, tampering with the grid and leisure, among others.

Safety indicators

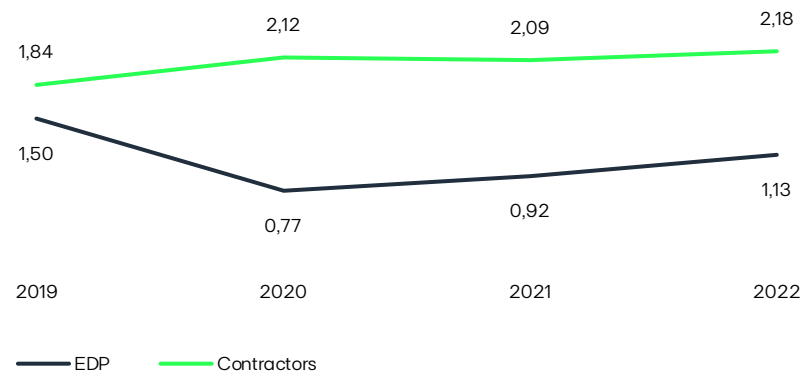
The Health and Safety at Work Policy within the EDP group demonstrates its commitment to a model of Health and Safety Work Management based on continuous improvement and the conviction that working in a safe, healthy environment is instrumental for employee satisfaction and provides added value for successful results. To improve management of the Policy objectives, EDP has a Corporate Safety Management System based on ISO 45001:2018 and the ILO-OSH 2021 recommendation. This system can be adopted in its entirety by each of the companies, or, alternatively, taken as a reference for the implementation of their own systems. In 2022, the EDP group counted a total of 10,604 employees covered by ISO 45001:2018 certification. The certification covers 96% of net installed power in production activities.

In EDP group, 133 work-related accidents occurred out of all EDP employees and service providers (ESP), representing a reduction of 13% compared with 2021. The frequency rate (FR) amongst EDP employees and service providers in 2022 grew 3% compared with the previous year, consequently we were unable to achieve the target of 1.69 set for 2022.

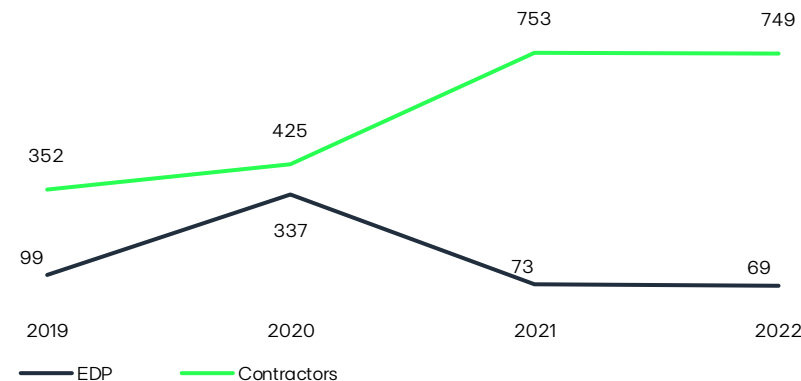
During 2022, there were six fatal accidents at work with service providers (fall from height, electrical origin) and one accident in commuting (road).

Additional information visit www.edp.com.

FREQUENCY RATE (Fr)

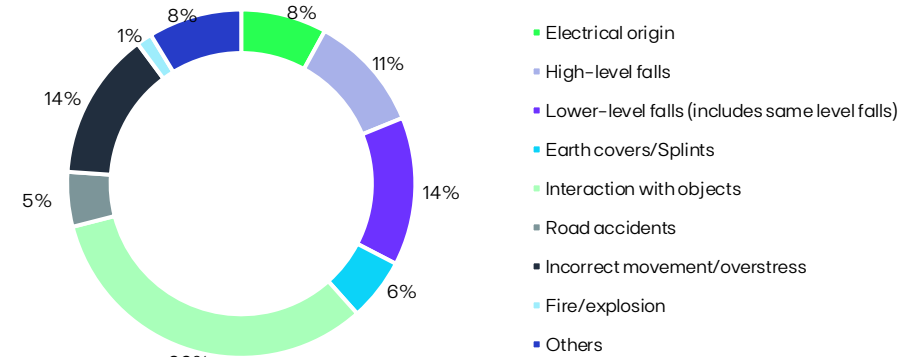


SEVERITY RATE (Sr)



Accidents that occurred due to interaction with objects are responsible for 33% of accidents, followed by incorrect movements or over-straining at 14%, 11% being falls from heights, 8% of electrical origin, and 20% attributed to other causes.

TIPOLOGY OF ACCIDENTS AT WORK (%)



Health promotion




The health and well-being of the group's employees are promoted and protected through compliance with occupational health monitoring requirements, in accordance with applicable legislation.

Health monitoring programmes guarantee fulfilment of the regular medical examinations plan, workplace inspections, participation in the Occupational Health and Safety and Internal Accident Prevention Committees, and the implementation of a range of preventive campaigns.

During 2022, 10,311 medical exams, 1,175 consultations with employees who have nutrition programmes, 1,105 cardiovascular screenings and 3,776 vaccination programmes against influenza, pneumococcal infection, hepatitis B and yellow fever, which covered 1,212 employees, were carried out in the EDP group. Also, within the scope of occupational medicine activities, 11 screening sessions for alcohol and drugs were carried out. EDP group monitors and follows up the occurrence of occupational diseases.

In 2022, two cases of occupational illness were recorded.

3.6.2.6. Crisis management

Alignment with the SDGs	Objectives	KPIs 2022	Target 2025
 	BitSight rating	810	≥740
	Climate change adaptation plans implemented	50%	100%

Organizations today face a multiplicity of adverse situations, as a result of their international positioning, making them more exposed to the materialization of disruptive events with high negative potential. Being aware of this position allows, on the other hand, to adopt a state of continuous monitoring and alertness, for the evolution of possible crises on a global scale with impact on the organization.

The EDP group assumes Crisis Management as a strategic capacity that enhances its supported and sustainable response to abnormal situations, characterized by high uncertainty and with potential negative impact on its strategic and business commitments and objectives, requiring urgent attention and action to protect the life and physical integrity of people, the environment, the assets, and reputation of the EDP group.

The EDP group Crisis Management Plan (OS 4/2021/CAE), which is transversal and strategic in nature and aligned with the reference BS 11200:2014, establishes the management structures, guiding principles for decision making and practices to be observed in the three phases of the crisis management process: before, during and after the crisis. Alongside the Crisis Management Plan, the Crisis Communication Plan was established, which supports the actions of the teams responsible for ensuring effective communication – transparent, coherent, and consistent – in these highly complex and volatile contexts.

Designed to allow a strategic response to crisis and pre-crisis situations of a diverse nature and with different levels of complexity, these plans are reflected in the Business Units and Divisions of the Corporate Centre, when applicable, ensuring the tactical and operational capacity to respond to the Crisis, and an adequate escalation to the EBD and the EDP group's Crisis Management Office.

In order to strengthen its resilience, the EDP group established, in the OS 1/2018/CAE, its approach to Business Continuity Management, also specifying the methodological parts to be observed, in alignment with the ISO 22301:2019 benchmark, strengthening its ability to detect and respond appropriately to risks with potential impact on its activity.

EDP has therefore developed and has a robust set of human, procedural and technological controls, and safeguard measures that it has been improving, complemented by recovery plans at the operational level, such as the Business Continuity Plans for priority processes/services, Contingency Plans or Disaster Recovery Plans, among others. These allow EDP to increase its capacity to continue to provide its services at acceptable levels even in the face of incidents, emergencies, and disasters, fulfilling the assumed objectives. To ensure their effectiveness and adequacy, the plans are subject to periodic exercises and simulations, both internally and in collaboration with external entities relevant to EDP's value chain.

Also noteworthy is the creation of the Safety, Security & Business Continuity Unit (SSBC) in January 2022, which allowed the strategic reframing of the themes of Crisis Management and Business Continuity, Safety (prevention and security) and Security (physical security and duty of care), with a view to the holistic and transversal management to the group of a set of related themes and whose complementarity and integrated approach adds benefits to EDP.

With a view to strengthening this commitment, the EDP group has defined the Security Policy (OS 8/2022/CAE), which establishes the guiding principles to be followed by all Business Units and Corporate Centre departments.

Monitoring the evolution of the Russia-Ukraine conflict

In February 2022, following what was established in its Crisis Management Plan and Crisis Communication Plan, EDP assumed to be facing a Pre-Crisis Situation, motivated by the emergence of the Russia-Ukraine conflict, which resulted in a worsening of geopolitical instability in Europe and worldwide.

Starting an intensive follow-up of the evolution of this situation, a monitoring group was established that includes different areas of the Corporate Centre of EDP, S.A., and the Business Units, especially those with a greater presence in the region. This monitoring is carried out in terms of topics such as the physical safety of people and assets, cybersecurity,

business continuity, risk management, supply chain, energy management, finance, regulation and stakeholders, compliance, communication, and social support.

This monitoring group, under the coordination of the SSBC, meets regularly and is responsible for reporting to the EBD on the main risks existing at each moment, changes in the environment, the status of implementation of risk management measures defined, as well as measures proposed for adoption.

The presence of EDP Renováveis and, more recently, EDP Comercial in countries bordering the conflict zone led to the adoption of a series of immediate measures to safeguard its people in these regions and the EDP group's people from Ukraine and Russia who are in other operations, as well as its assets under construction and in operation, including Evacuation Plans.

As a complement to the analysis and monitoring of the situation by the different areas of EDP, it also opted to use entities specialized in the management of geopolitical conflicts, in order to acquire greater knowledge of potential developments and thus anticipate its response to potential risks or threats. Considering the possible scenarios of the evolution of the conflict, an evaluation was developed of the most relevant risks and impacts for EDP, and of the main risk management and impact mitigation measures.

3.6.2.6.1. Information security

EDP recognises information security as a strategic objective and a fundamental business requirement, and makes this commitment at top management level. The EDP group's Information Security Policy, approved by the Executive Board of Directors, establishes information security as a competitive factor, generating confidence in its stakeholders, but also as a critical responsibility in a social context, as a result of its role as an operator of critical infrastructures and manager of large volumes of personal data on customers and employees.

The governance of information security in the EDP group involves the existence of the Digital and Information Technology Committee. This committee includes members of the various business units' management, the Company's Chief Information Security Officer (CISO) and a member of the Executive Board of Directors, who chairs it. This committee has, among others, the task of discussing and issuing opinions on guidelines for the strategic planning of information security, and is also responsible for assessing the company's cyber-security risks, monitoring scenarios of serious incidents in the energy sector and the organization's cyber-security risk profile.

Every month, the Executive Board Director responsible for information security receives a report of activities and indicators from the organisation's CISO and the entire Executive Board receives the same information on a quarterly basis. The EDP group's cyber-security risk is presented annually to the members of the General and Supervisory Board.

Cybersecurity in 2022 in the EDP group

2022 was marked by changes in cyberspace. From the beginning of the year we saw high-impact cyber-attacks on organisations from various sectors, such as media, communications service providers and retail in Portugal, but also attacks on European port terminals and other infrastructures supporting essential services around the world. Some of the attacks were only destructive with unknown motive, which, along with the conflict in Ukraine, confirmed the trend of joint and coordinated action between physical and cyber conflict ("Hybrid Warfare"), aggravating the risk of cyber threats, particularly in the energy sector, which became one of the main targets of attack.

In order to face the new cyber threats, EDP raised, in the first quarter of 2022, the cyber risk alert level to orange throughout the group, which resulted in an increase of 24/7 monitoring, at the same time as it integrated more information sources in its security operations, having also promoted additional business continuity exercises, specifically an exercise called "Red Button" that simulates a service disruption that forces the isolation of critical networks and systems.

Although there was an increase in cyber threats throughout the year, apart from a few DoS (Denial of Service) attacks on the corporate [edp.com](https://www.edp.com) and [edp.pt](https://www.edp.pt) websites in July and September, which resulted in temporary difficulties accessing these resources, no incidents with a significant impact on either the group's image or its operations were recorded throughout the group.

Cybersecurity activities and indicators

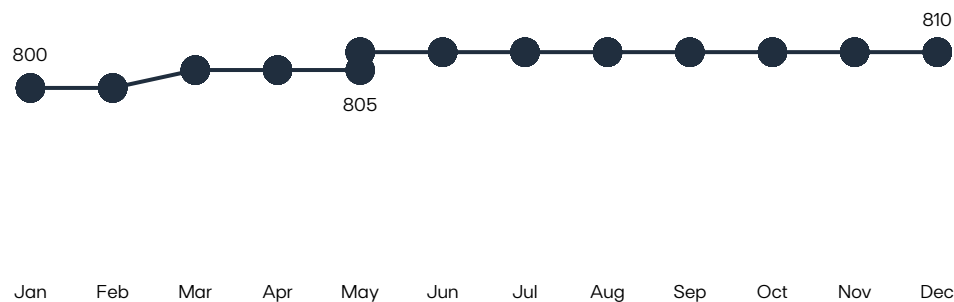
The rating adopted, defined as the group's KPI for this area, observes the EDP group's behaviour in cyberspace, specifically by checking aspects such as the security of its public websites, access from its networks to dangerous locations and incidents that affect the organisation publicly. During 2022, the rating remained at the advanced level, oscillating between 790 and 810 points, well above the average for the sector.

To support the challenge of energy and digital transitions, as well as efficient and secure operations in EDP's energy networks and facilities, a "Zero Trust" strategy for cybersecurity was adopted, comprising a plan of initiatives for the years 21-23, both in the domain of networks and IT systems and in the OT domain (Operational Technology that supervises and controls energy management infrastructures, some of which are mission critical). Plans are being executed without major deviations from the original.

With regard to awareness and training, because of the pandemic, which made face-to-face training impossible, the training schedule in EDP's "cyber range" (a unique cyber security training infrastructure in Portugal, which simulates, in the classroom and with real equipment, the power grid's control systems), and was also adapted to remote format. However, due to the easing of restrictions in the face of the pandemic, we had about 30 in-person trainees in 2022. There is also integrated programme of training, e-Learning and security exercises for delivery across the entire EDP group, which was delivered to 11,000 employees in 2022.

In addition to its operational capabilities, the EDP group's vision is to position itself as a company of reference in the use of best practice and innovation in the area of information security. In this sense, the EDP group continues to integrate several national and international work and study groups (such as CERT.PT, the World Economic Forum, the Cyber DSO group - Distribution System Operators - and the International Energy Agency), as well as European projects with other European counterparts, academic and governmental organisations.

BITSIGHT SECURITY RATING



3.6.2.6.2. Critical infrastructures

Directive 2008/114/EC defines "Critical Infrastructure" as "the asset, system or part thereof located in Member States which is essential for the maintenance of vital societal functions, health, safety, security, economic or social well-being, and the disruption or destruction of which would have a significant impact in a Member State as a result of the failure to maintain those functions".

EDP has under its responsibility a set of critical infrastructures in Spain and Portugal, which include electricity generation and distribution infrastructures (physical and control facilities), as well as related customer service activities, which have been identified within the scope of the transposition of Directive 2008/114/EC into Spanish and Portuguese law.

It should be noted that a new European directive was recently approved, Directive (EU) 2022/2557 of the European Parliament and Council of December 14, 2022, on the resilience of critical entities (repealing Directive 2008/114/EC with effect from October 18, 2024), which is awaiting transposition into national law.

Due to the diversity of the critical infrastructures under its responsibility, EDP has proactively adopted strategies to respond to risks of different natures, such as physical risks (e.g., fires, earthquakes, atmospheric events, including extreme events), and technological risks (including, but not limited to, cybersecurity risks for operational systems and information systems).

In addition, the measures and tools adopted to mitigate these risks are diversified and different in nature, adjusted to the specifics of the infrastructures, necessarily covering physical security (safety and security aspects), technological security and cybersecurity, as well as the management of Business Continuity, leveraged by a strong component of training and exercises. EDP has developed, for each of the critical infrastructures, the respective security plan, supported by the conclusions of the risk analysis on them and the set of measures implemented, in line with the provisions of Directive 2008/114/EC and in alignment with the recently revised national legislation DL 20/2022 (repealed DL 62/2011).

Furthermore, it is important to mention the role assumed by EDP in promoting the adoption of good practices in the management of critical infrastructures in the sector, through its dissemination, but also through collaboration with external entities, participating in exercises and workshops relevant to the topic.

With a focus on establishing and developing a Security Culture, EDP promoted a set of awareness-raising activities, provided by SIS - Security Information Service; (i) the Knowledge and Sensitive Information Protection Program, which aims to alert entities in Portugal to espionage threats and raise their awareness of the importance of protecting knowledge and sensitive information and (ii) the Křitica Program, with the aim of contributing to improving the protection of critical infrastructures and sensitive national points against the terrorist threat.

Also, in this context and following the approval of the Sendai Framework for Disaster Risk Reduction 2015–2030, EDP has participated, in Portugal, in the National Platform for Disaster Risk Reduction (PNRRC in its Portuguese acronym), under the responsibility of a sub-committee coordinated by ANEPC (National Authority for Emergency and Civil Protection). We highlight the participation in the development of the Handbook on "Good Resilience Practices for Critical Infrastructure – Private Sector and State Business Sector", as part of the PNRRC activities for the 2015–2017 triennium, available on the [PNRRC website](#).

3.6.2.6.3. Infectious diseases

Preparation for crisis situations, particularly focusing on people's health and protection is part of EDP's performance and commitment.

The EDP group Contingency Plan was created during the course of infectious disease situations and in order to prepare the company for similar or more serious future situations, such as pandemics.

This track record for continuous monitoring of epidemiological situations through the implementation of Contingency Plans allowed EDP to be more prepared when, in 2020, the COVID–19 Pandemic was decreed.

The Contingency Plans define EDP's procedures for the adequate management of the impacts around these situations, which may affect employees and service providers, as well as the group's companies' business, which includes:

- safeguarding people's lives in order to reduce the risk of contamination in the workplace, strengthening the information and knowledge of the employees and favouring self-protection
- implementation of a decision-making and coordination structure in EDP and the group's companies

- activation of the Business Continuity Plans, in order to guarantee an adequate operational response capacity that simultaneously minimises the conditions for the propagation of the pandemic and ensures the functioning of essential services
- monitoring the progress of the disease, the effectiveness of the measures taken and the need for further action depending on the context within and outside EDP
- responding to internal and external notification and communication needs
- resumption of activity under safe conditions as soon as the country/region allows.

Given the pandemic data, the governments of the countries where EDP operates have established a plan for the gradual lifting of restrictive measures.

The evolution of vaccination against Covid–19 allowed for a move towards the relief of restrictions through a gradual and extended plan.

EDP accompanied this plan and, in accordance with the directives, went ahead with a survey of the measures applied in all the countries in which it operates.

Attractive returns & ESG excellence

Highlights 2022

- Launch of ESG Masterplan, a new strategic framework for the Sustainability area, with five focus areas aligned with the Business Plan and the company's vision
- Miguel Stilwell d'Andrade, president of the EDP group, was appointed a member of the Executive Committee of the World Business Council for Sustainable Development (WBCSD), the largest international business organization working in sustainable development
- EDP was recognized by CDP, for the 6th consecutive year, as one of the world's leading companies in the fight against climate change. The company received a double score of "A", the highest ranking in the categories of transparency and business performance on climate change and water safety management
- EDP retains the first place among integrated utilities of S&P CSA/DJSI, among 180 companies of different geographies evaluated, with a final score of 90 points (out of 100), the second best since it was part of this index for 15 consecutive years.



Main challenges 2023¹

- Respond to the increased pressure posed by the new Sustainability disclosure standards
- Accelerate investments in adaptation and resilience due to the rising costs associated with the risks of extreme weather events
- Climate change will continue to drive drought and water scarcity, sharpening the focus on water-related risks
- The importance of Biodiversity and nature-related risks becomes increasingly critical as more data and frameworks is available (TNFD and SBTN).

¹Challenges identified by S&P Global in 'Key sustainability trends that will drive decision-making in 2023' (available in www.spglobal.com) and recognized by EDP as relevant

3.6.3. Attractive Returns and ESG Excellence

3.6.3.1. Sustainable finance

Alignment with the SDGs	Objectives	KPIs 2022	Target 2025
 	Profits in line with the EU's Taxonomy	49%	>70
	Sustainable financing	44%	50%

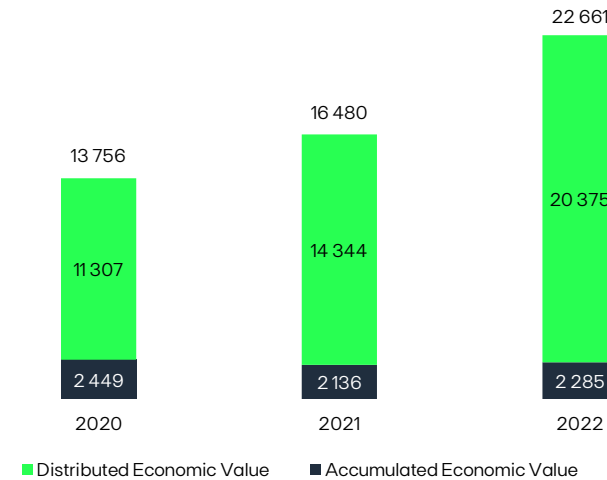
3.6.3.1.1. Creation of a long-term value

We address the path of sustainability by facilitating the long-term investment in companies. This means to channel the capital into sustainable assets.

Since 2004, EDP has announced publicly the commitment to carry on its business while seeking a balance between the economic, environmental, and social aspects of the company's activity and pursuing an approach that incorporates the priorities of their stakeholders.

In 2022, the economic value generated by EDP was 22,661 million euros, compared to 16,480 million euros in 2021. This value includes turnover and other income. In 2022, 90% of the Generated Economic Value (GEV) was distributed in a total amount of 20,375 million euros. The aggregated economic value (AEV), the difference between the GEV and the Distributed Economic Value (DEV) corresponds to the remaining 10% and includes retained earnings and non-payable costs.

ECONOMIC VALUE GENERATED (€M)



3.6.3.1.2. EDP ESG performance assessment

During 2022, EDP has carried on the efforts of providing ESG data (qualitative and quantitative) to several ESG analysts. Analysts are evaluating the group's performance on climate change, policy commitments, worker safety, diversity, governance and other ESG factors, based on each in-house methodology. This explains why scores, ratings and/or level of risk obtained based on different ESG performance indicators, such as GHG emissions or violations against the UN Global Compact (UNGC) used by the different analysts are not comparable with each other.

EDP achieved its objective of inclusion in the upper quartile in performance against the ESG ratings established for 2025, in the Dow Jones Sustainability Index, Sustainalytics, FTSE4Good Index Series, and MSCI ESG Indices.

It should also be noted that the group has responded to questionnaires that grant recognition in the areas of climate change and water management (CDP Climate Change and CDP Water Security), in sustainability (GRESB) and in ethics (Ethisphere Institute).

ESG CORPORATE SCORES, RATINGS AND RANKINGS

<p>Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA</p> <p>Analyst: S&P Global Corporate Sustainability Assessment Indices: DJSI World and Europe</p> <p>#1 Global Integrated Electric Utilities Score: 90 (out of 100)</p>	<p>Analyst: FTSE Russel Indices: FTSE4Good Global Index Series Family</p> <p>Top 5% Global Utilities Score: 4.5 (out of 5)</p>	<p>Analyst: V.E. Indices: Euronext Vigeo Family</p> <p>#3 Utilities Score: 72 (out of 100)</p>	<p>Analyst: ISS Corporate Solutions (ISS ESG Corporate Rating) Index: Global Challenges Index</p> <p>'B+' Rating</p>	<p>Analyst: CDP Indices: Euronext CDP Index family</p> <p>CDP Climate 'A' List CDP Water Security 'A' List (from 'D-' to 'A')</p>																																																								
<p>2008 - 2022</p> <table border="1"> <tr><th>Year</th><td>2019</td><td>2020</td><td>2021</td><td>2022</td></tr> <tr><th>Score</th><td>90</td><td>88</td><td>91</td><td>90</td></tr> </table>	Year	2019	2020	2021	2022	Score	90	88	91	90	<p>2014 - 2022</p> <table border="1"> <tr><th>Year</th><td>2019</td><td>2020</td><td>2021</td><td>2022</td></tr> <tr><th>Score</th><td>4.7</td><td>4.7</td><td>4.2</td><td>4.5</td></tr> </table>	Year	2019	2020	2021	2022	Score	4.7	4.7	4.2	4.5	<p>2012 - 2022</p> <table border="1"> <tr><th>Year</th><td>2016</td><td>2018</td><td>2020</td><td>2022</td></tr> <tr><th>Score</th><td>61</td><td>68</td><td>71</td><td>72</td></tr> </table>	Year	2016	2018	2020	2022	Score	61	68	71	72	<p>2009 - 2022</p> <table border="1"> <tr><th>Year</th><td>2019</td><td>2020</td><td>2021</td><td>2022</td></tr> <tr><th>Rating</th><td>B-</td><td>B</td><td>B+</td><td>B+</td></tr> </table>	Year	2019	2020	2021	2022	Rating	B-	B	B+	B+	<p>2009 - 2022</p> <table border="1"> <tr><th>Year</th><td>2019</td><td>2020</td><td>2021</td><td>2022</td></tr> <tr><th>CDP CC</th><td>A-</td><td>A</td><td>A-</td><td>A</td></tr> <tr><th>CDP WS</th><td>A</td><td>A</td><td>A</td><td>A</td></tr> </table>	Year	2019	2020	2021	2022	CDP CC	A-	A	A-	A	CDP WS	A	A	A	A	
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2025 Goal: Top quartile in ESG rating performance ✓

For additional information, click on the logos

ESG CORPORATE SCORES, RATINGS AND RANKINGS



Analist: V.E./Forum Ethibel/Solactive
 Indeces: Index Solactive Global and Europe Corporate Social Responsibility Index PR

Included in the **Global and Europe Corporate Social Responsibility PR** indexes



Analist: Bloomberg
 Index: Bloomberg Gender-Equality Index (GEI)

Included in the GEI index, since 2020
 Score: 81.47 (out of 100)



Analist: World Benchmarking Alliance

Awaiting new assessment
 #5 global Utilities
 Score: 77.1 (out of 100) (in 2021)



Analist: Gresb
 Index: GLIO/GRESB ESG Index

Top 2 Global Infrastructure (Renewable Power)
 Score: 95 (out of 100)



Analist: S&P Global
 Index: S&P Global Clean Energy Index

Top 10
 Included since 2021



Analist: Etisphere

Top most ethical companies in the world, since 2011



Analist: ECPI
 Indeces: ECPI Indices

Included in the ECPI indices, since 2013

For additional information, click on the logos

Other recognitions

PORTUGAL



EDP Comercial

SPAIN



EDP España



Redes España

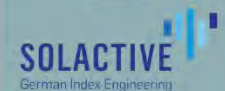
BRAZIL



EDP RENEWABLES



FTSE4Good



3.6.3.1.3. Facts & figures of sustainable finance

Since the 2030 Agenda for Sustainable Development and the historic signature of the Paris Agreement, there have been made important progress in the battle against climate change and towards a greener, more resilient, more inclusive global economy. Sustainable finance has the potential redirect the funds to climate action and transition to a climate-neutral economy.

According the last report of the Global Sustainable Investment Alliance – [GSIA Report 2020](#)) the global sustainable investment reached USD35.3 trillion in five major markets (Europe; United States; Canada; Australia; Japan)–. Sustainable investment assets under management make up a total of 35.9% of total assets under management, up from 33.4% in 2018. The GSIA expect that sustainable investment could exceed USD 50 trillion by 2025.

Investors

The year 2022 started with the implementation of the ambitious agreement “[Glasgow Financial alliance for Net Zero \(GFANZ\)](#)” established in November 2021, which assembled a few of the world’s most powerful financial institutions to fight global warming, by pledging to bring loan and investment portfolios to net-zero by 2050.

However, as the year unfolded, sustainable finance had to stave off a backlash against ESG policies. At the end of 2022, Vanguard group, the world’s second-largest asset manager and a major index investor, pulled out the GFANZ, saying it aims “provide the clarity our investors desire about the role of index funds and about how we think about material risks, including climate-related risks.”

Regulators

In July 2022, the European Central Bank (ECB) announced, a measure to be applied from October 2022, that will adjust the purchase of corporate bonds and the pandemic emergency purchase programme according to a climate score based on three factors: backward-looking emissions (issuers’ past emissions), forward-looking targets (issuer’s ambitious decarbonization targets) and climate disclosures (issuers’ reporting of greenhouse gas emissions: scope one, two and three).

The EU is following a step-by-step approach starting with the **climate taxonomy** (2022), **the environmental taxonomy** (2023) and **the social taxonomy** (with no date yet known). Other EU regulations are building on the different dimensions of the EU Taxonomy, as for example:

- the Corporate Sustainability Reporting Directive (CSRD)– This regulation was published on 16 December 2022 in the Official Journal. It will be applicable in 2025 to companies already subject to the Non-Financial Reporting Directive – NFRD
- the Sustainable Finance Disclosure Regulation (SFDR) – This regulation was published on 9 December 2019 in the Official Journal. It has been applicable since 10 March 2021. It is a key regulation to increase transparency and enable investors to reorient capital
- the Corporate Sustainability Due Diligence Directive (CSDDD). This regulation proposed, for the first time, a mandatory framework for companies registered or operating within the EU to carry out due diligence throughout their supply chains and to identify, prevent or stop adverse impacts related to human rights and the environment. The final text is expected in May 2023.

The last major introductions regarding sustainable finance, in 2022, were the following:

- **the EU Taxonomy:** The European Commission published and adopted the Complementary Climate Delegated Act. This legal text proposes that gas and nuclear activities are classified in the EU Taxonomy framework. Please see EDP’s position in our 2021 Sustainability Report, [page 166](#)
- the disclosure under the **article 8 of the EU Taxonomy:** EDP has disclosed, for the first time in 2021, information on eligibility and alignment with the Taxonomy under the mandatory tables for its revenues, operating expenses (OPEX) and capital expenditure (CAPEX). More details in the [Report on implementing article 8 of the EU Taxonomy Regulation](#)
- the disclosure of the **report on minimum safeguards** by the Platform on Sustainable Finance: The purpose is to orient companies on implementing article 18 of the EU Taxonomy
- the announcement of new reporting climate disclosures from Securities and Exchange Commission (SEC) and International Sustainability Board (ISSB): Their **final goal is to issue the final standards in 2023.**

EDP

Impact of ESG performance measurement

Currently, 29.8% of the capital of EDP's shareholder structure comes from SRI investors. EDP has demonstrated its expertise in ESG matters and its knowledge to reply to investors who follow active and passive investment approaches. Additionally, regarding the financing component, the group has responded to requests from investors, who are increasingly demanding in terms of mitigating the risks inherent in ESG factors.

EDP Sustainability Linked Finance




In March 2022, EDP updated its 2018 green bond framework with a new Green Finance Framework. The new framework, which you can find on the following [here](#), is aligned with the Company's overall sustainability strategy and initiatives and will further contribute to EDP's key environmental priorities. The framework is aligned with the Green Bond Principles 2021 (GBP), as administered by ICMA, and Green Loan Principles 2021 (GLP), as administered by LMA, APLMA and LSTA. In addition, it is also aligned with the EU taxonomy. The framework is supported by a second-party review from Sustainalytics.

The proceeds of the issued green finance instruments are used to finance and/or refinance new and/or existing wind and solar assets of EDP Renováveis (EDPR). Eligible assets include the design, construction, installation and maintenance of wind and solar assets.

As of 31 December 2022, our green finance instruments (the first was in 2018) represent 44% of our total nominal debt. EDP has a target to have 50% of its funding from sustainable sources by 2025.

Our green bond reporting is done through our annual sustainability report that is audited by an external party. That information appeared on the [Report on the allocation and impact of Green Finance](#).

3.6.3.2. Caring for our planet

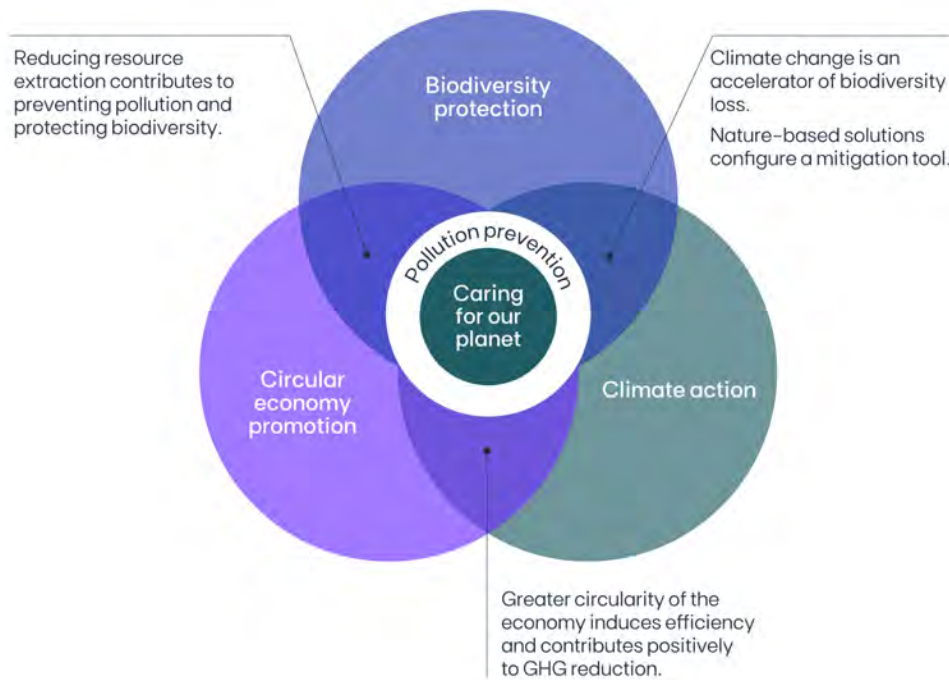
Alignment with the SDGs	Objectives	KPIs 2022	Target 2025
 	Reducing the intensity of CO ₂ emissions (scope 1 and 2)	-56%	-70%
	Recycling of waste from activities	52%	85%

EDP contributes to Sustainable Development, recognising the Environment as a strategic management element and acting towards the prevention of pollution, mitigation of impacts and consequences of its activity. To this end, through its [Environmental Policy](#), the group assumes a set of commitments that safeguard the implementation and maintenance of environmental management systems, certified in accordance with ISO 14001:2015 by accredited external entities. To ensure ongoing improvement, the environmental management of the facilities/activities is aligned with objectives and a strategic plan supported in a Corporate Environmental Management System with the scope "corporate management of policies, commitments and environmental performance of EDP group worldwide".

The group's [Environmental Policy](#) is considered in the business plan, which leverages and realises the capacity to contribute to the prevention of pollution, resulting in positive evidence in terms of the protection of Biodiversity, decarbonisation, the efficient use of natural resources and the promotion of a Circular Economy.

The electricity generation and distribution activities have a significant direct environmental impact in terms of fuel consumption, use of chemical products, greenhouse gas emissions, atmospheric pollutant emissions, water consumption licences, effluent discharge after treatment, effects on fauna, effects on flora and noise in some assets' specific situations. To ensure the control and mitigation of these impacts, in addition to the existence of Environmental Management Systems certified in accordance with ISO 14001, the thermoelectric power stations are covered by demanding environmental licences, which establish continuous monitoring, taking into account the parameters and sensitivity of the environments in which are located. All thermal power plants have physical/chemical wastewater treatment processes, ensuring that they are disposed of according to the limit values established for each parameter. The reduction in thermoelectric production of coal-fired power stations in the Iberian Peninsula and the early closure plan, integrated into the decarbonisation strategy, result in a significant reduction in atmospheric emissions of sulphur dioxide (SO₂), nitrogen oxides (NO_x) and particulates. In distribution, the main impact mitigation measures are the landscape integration of overhead lines, oil retention systems and the installation of acoustic barriers.

In the management of transformers with polychlorinated biphenyls (PCBs), in addition to complying with current legislation, EDP uses best practice for the identification, screening and appropriate final treatment of PCB waste. The deadline for decommissioning equipment contaminated with PCB concentrations above 50 ppm, defined in legislation and the plans of the relevant companies, is the year 2025. Also worth noting is the fact that in the Brazilian



distribution companies, all medium and low voltage transformers that are removed from the network are replaced by transformers equipped with vegetable oil.

In terms of emergency and incident response capacity in 2022, 99 small oil spills were recorded, containment and remediation measures were taken, also recorded were 101 environmental near-accidents and 270 simulations were carried out. The corrective and prevention measures implemented resulted in zero accidents with environmental damage. In addition, training and awareness-raising events on emergency response are also held for employees, service providers and others involved such as the local community (when applicable).

The number of environmental complaints has decreased again in all areas of activity and has reduced globally 15% (vs. 2021). The theme noise represents 23% of the reasons for environmental complaints, followed by the theme waste, with 16% representation.

On the other hand, in order to have a positive effect on the environment, EDP continues to invest heavily in improving technologies and in initiatives to prevent and mitigate the environmental impacts of its operations, totalling EUR 105.5 million by 2022.

3.6.3.2.1. Protection of biodiversity

Biodiversity is under threat, and it has never been more urgent to restore damaged ecosystems. Expectations lie in strengthening the global commitments and targets of the 2021-2030 agenda, the defining decade recognised as the United Nations Decade for Ecosystem Recovery. According to the United Nations Environment Programme (UNEP), the degradation of marine and terrestrial ecosystems significantly affects the well-being of 3.3 billion people worldwide, and has an associated annual cost of around 10% of the planet's gross product in terms of loss of species and ecosystem services essential for food, agriculture and the supply of quality water, among others.

In this sense, EDP assumes the Environment as a strategic management element, aiming to reduce the impacts of its activity through a set of general and specific complementary commitments, expressed by the **Environmental Policy**, among which is the protection of biodiversity:

- contributing to the reduction of biodiversity loss, prioritising mitigation line management and aiming for a positive outcome on the biodiversity balance sheet in the long term

- contributing to the deepening of scientific knowledge of biodiversity and ecosystem services, including through the establishment of partnerships.

In parallel, EDP also commits to "not building new electricity production facilities in areas that are part of Natural Sites on the UNESCO World Heritage List", to ensure that it continues to have no presence in these territories, and made a global commitment in 2022 to become positive for nature by 2025, which means going further and anticipating the "No Net Loss" commitment already made for 2030, and achieving a Net Gain of biodiversity in all new projects with significant residual impacts by 2025.

The location of own assets, leased, administered within or adjacent to protected areas and areas of high biodiversity value outside protected areas are shared openly, in the UN's own annual reports (EDP Brasil and EDP Renováveis) and in the annual reports, corporate website, and biodiversity reports.

In strengthening the biodiversity conservation objectives of the "Net Gain of Biodiversity" project, EDP makes two additional commitments in the baseline mitigation line-management approach, also by 2025:

- No Net Deforestation
- 100% of its assets with Biodiversity Action Plans (BAPs) defined and implemented, when these facilities are recognised as having high biodiversity risks.

At project management level, mitigation line management (see [Biodiversity Report 2020-2022](#)), allows EDP to anticipate and avoid potential impacts; minimise, when it is not possible to avoid them entirely; restore, when impacts occur; and offset, when residual impacts remain. It is a gradual and cumulative process with the main objective of progressively reducing impact until there are no adverse effects on biodiversity and achieving the Net Gain biodiversity conservation objectives.

In 2022, in an action underlying the line management of mitigation, EDP developed the Space4Nature (making space for nature) initiative, an initiative promoting Nature-based Solutions (NbS) as a simultaneous response to business and societal problems and challenges. This is a kick-start to the ambition of a positive business for nature (see [Biodiversity Report](#)).

Also in a commitment to positive business for nature, EDP follows the evolution of metrics and indicators based on science that are being worked on internationally and which are expected

to stabilise from the second half of 2023 onwards (TNFD, SBTN, GRI, for example) to integrate the biodiversity and natural capital theme in:

- identification and assessment of impacts and dependencies, extending to key supply chains. However, in the matter of suppliers and subcontractors, EDP's procurement policy, whenever possible, is already considered a reference to the implementation of policies consistent with those established by society, in particular in the environmental and biodiversity dimension
- monitoring the evolution of related risks in different time horizons and integrating this information in strategic and operational planning where applicable.

EDP's power generation (hydroelectric, thermoelectric, wind and solar) and electricity transmission and distribution activities have the greatest impact on biodiversity, through disturbances caused by the alteration/conversion of land use that result in the fragmentation, alteration and destruction of habitats with a direct or indirect impact on species. However, habitats and potentially-impacted species are the target of the conservation measures and impact mitigation described in three aspects: protection of bird fauna, ecological flows and natural capital. In 2022 the following stand out:

Bird protection	Portugal	<p>In 2022, the Avifauna IX protocol began and actions continued to be developed under the Avifauna VIII Protocol, the LIFE Projects and the National Specific Program for Wild Birds (PENAS).</p> <p>The actions provided for in the Protocol continued the work of surveying the land around certain power lines, and the compilation and validation of information on risk charts of endangered species.</p> <p>The corrections of medium and high voltage overhead power lines (MT/AT) were performed with the use of mitigating technical solutions, such as the rotating "firefly" type to minimise collision, and the change from horizontal to vertical disconnectors and a combined solution to electrocution, at around 15 km.</p> <p>From the beginning of the avifauna protocols (2003) to the end of 2022, there have been about 1,371.7 km (accumulated value) of existing electricity distribution lines corrected with measures to protect avifauna, inside and outside Classified Areas, both in the licensing of electric lines and in the context of voluntary correction.</p>
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Ecological flows	Spain	<p>Environmental impact studies have been carried out for EDP Spain network installation projects which, due to their delineation throughout the protected areas, are subject to an environmental assessment by the competent body. Studies that ensure the identification of technical solutions with the lowest environmental impact, and compliance with the minimisation measures contained in the corresponding environmental impact statements (DIA), allow the avoidance of liquid damage to biodiversity.</p>
	Portugal	<p>Of the 16 hydroelectric uses identified for the construction of ecological flow schemes (CERs), 15 have already had their CERs implemented, and their monitoring programmes are underway to assess effectiveness as defined in the Concession Contracts.</p> <p>Only in the case of the Upper Cávado, given the poor quality of the water in the reservoir water and the good quality of the water present in the downstream section of the reservoir, it was decided not to launch an Ecological Flow (EC) given the possible negative effects on the body of water. However, this section of the river downstream of the dam is being monitored.</p>
Natural capital	Spain	<p>Compliance with the Hydrological Plan for the Hydrographic Demarcation of Western Cantabria 2015-2021, certified in 2019 for the implementation of the ecological flow regime in EDP Spain hydroelectric power plants, is at a very advanced stage, pending completion in Valdemurio, Tanes, Furacón and Priañes, once the execution of projects for the adaptation of the dam drainage bodies has been completed.</p>
	Spain	<p>As part of the Working group on Natural Capital in the energy sector created in 2019, contributed to the environmental impact rapid assessment tool developed for electricity distribution lines in ecosystem habitats, species and services; and assisted in decision-making when drawing sections of new lines (completed in 2021). In 2022 it took the opportunity to activate all the experience and knowledge shared in this group to prepare a guide document (which awaits completion) with conclusions for all the activities of the electricity sector that will serve as a basis for future work on the reclamation of natural capital in the environment of our facilities.</p>

In addition, in 2022, EDP continued to strengthen its public commitments in this area by:

- implementing the commitments made under [Act4Nature-Portugal](#), whose 2021 and 2022 results can be analysed in the biodiversity brochure 2020-2022. Act4Nature is an initiative led by the BCSD-Portugal and fostered by the biodiversity working group since 2020, where EDP is part of the Steering Committee and the Advisory Board
- in 2022, this working group organised and presented the "[Natural Capital Conference](#)", which took place in Lisbon on 23/11/2022
- implementation of the commitments made under the Brazilian Business Commitment for Biodiversity [The Commitment - IBNBIO](#), whose results can be analysed in the [Biodiversity Report 2020-2022](#)
- membership in the Act4Nature-Portugal initiative, and subscribed to the ten common commitments and 12 individual commitments by 2030. By 2021, of the 12 individual commitments, ten have been reached or are underway, and two are yet to begin.

From the EDP biodiversity agenda, the following initiatives stand out in 2022:

In Brazil, another phase of project "Capibaxa Sweet Springs", a partnership initiative with the Earth Institute, recovering 10 tributary springs in the municipality of Baixo Guandu in Espírito Santo. The aim is to promote the recovery and conservation of water resources through the forest restoration of springs and the installation of five mini sewage treatment plants in rural properties.

In Portugal, in the activity of electricity distribution, E-Redes celebrated the 20th anniversary of the Protection of Avifauna in the Distribution Network, a partnership that joins E-REDES and the Institute for Conservation of Nature and Forests (ICNF), Quercus, the Portuguese Society for the Study of Birds (SPEA) and the League for the Protection of Nature (LPN). Event that took place on 10 October 2022, when we looked back on this partnership and pondered the "New ideas in Distribution" in the challenges and opportunities brought about by the compatibility of the economy's electrification needs and the safeguarding of natural values (see more information in the [Biodiversity Report](#)).

Also in the electricity distribution activity, partnerships with several bodies are highlighted through the LIFE program (European Union financial instrument for the Environment and

Climate Action), focused on minimising the impact of existing high and medium voltage overhead power lines:

- the LIFE LxAquila project was continued, focusing on the Bonelli eagle species, where 47 medium voltage network supports were corrected with combined solution, inversion from horizontal to vertical sectioners and also nesting deterrents
- two projects were approved: **LIFE PowerLines4Birds**, focused on seven threatened target species (black vulture, Egyptian vulture, Iberian imperial eagle, great bustard, little bustard, golden eagle and roller), in 23 Special Protection Zones (Natura 2000 Network) in the Iberian Peninsula (14 in Portugal and nine in Spain), and **LIFE SafeLines4Birds**, directed at the White Stork in Portugal, and 12 other endangered species, both of which count on the participation of several partners in: Belgium, France, Germany, the USA and Portugal, in partnership with other utilities Operators of Similar Distribution Network and Electricity Transport.

In Portugal, EDP has cumulatively achieved the extension of

1,371.7 km

correction of critical distribution lines for existing birdlife in protected areas and the Natura 2000 Network

In 2022, work was developed to improve the existing fish transposition systems during hydropower production activities, and monitoring systems were implemented. (see more information in the [Biodiversity Report](#)).

Prevention of pollution

EDP assesses the potential effects on biodiversity of its main construction, operation & maintenance activities, where aspects related to soil, water, air and noise pollution are considered. This analysis ensures that they are covered by the environmental management systems put in place and makes it possible to systematise and optimise best management practice for mitigating impact on biodiversity across the group. (see more information in the [Biodiversity Report](#)). The following preventive operational actions regarding pollution in the context of biodiversity protection in electricity production and distribution activities stand out, namely:

- programme of screening and elimination of oils with PCB
- prevention of the production of waste and its hazards Sorting, storage and assurance of adequate final destination of waste produced

- replacement of transformers' mineral oil, which causes hazardous waste, with vegetable oil
- analysis of the cause of occurrences having environmental impact and identification of measures for rapid action in correction and prevention
- implementation of noise minimisation measures
- contractual environmental requirements from external service providers, with penalties applied if these requirements are not met, and
- environmental training to employees with activities that impact the environment.

3.6.3.2.2. Circular economy

EDP's strategic vision for the circular economy is based on three fundamental pillars: Reduction, Reclamation and Optimisation as a way to promote the increase of circularity in the business, implemented through seven priority axes of action (see figure to the side).

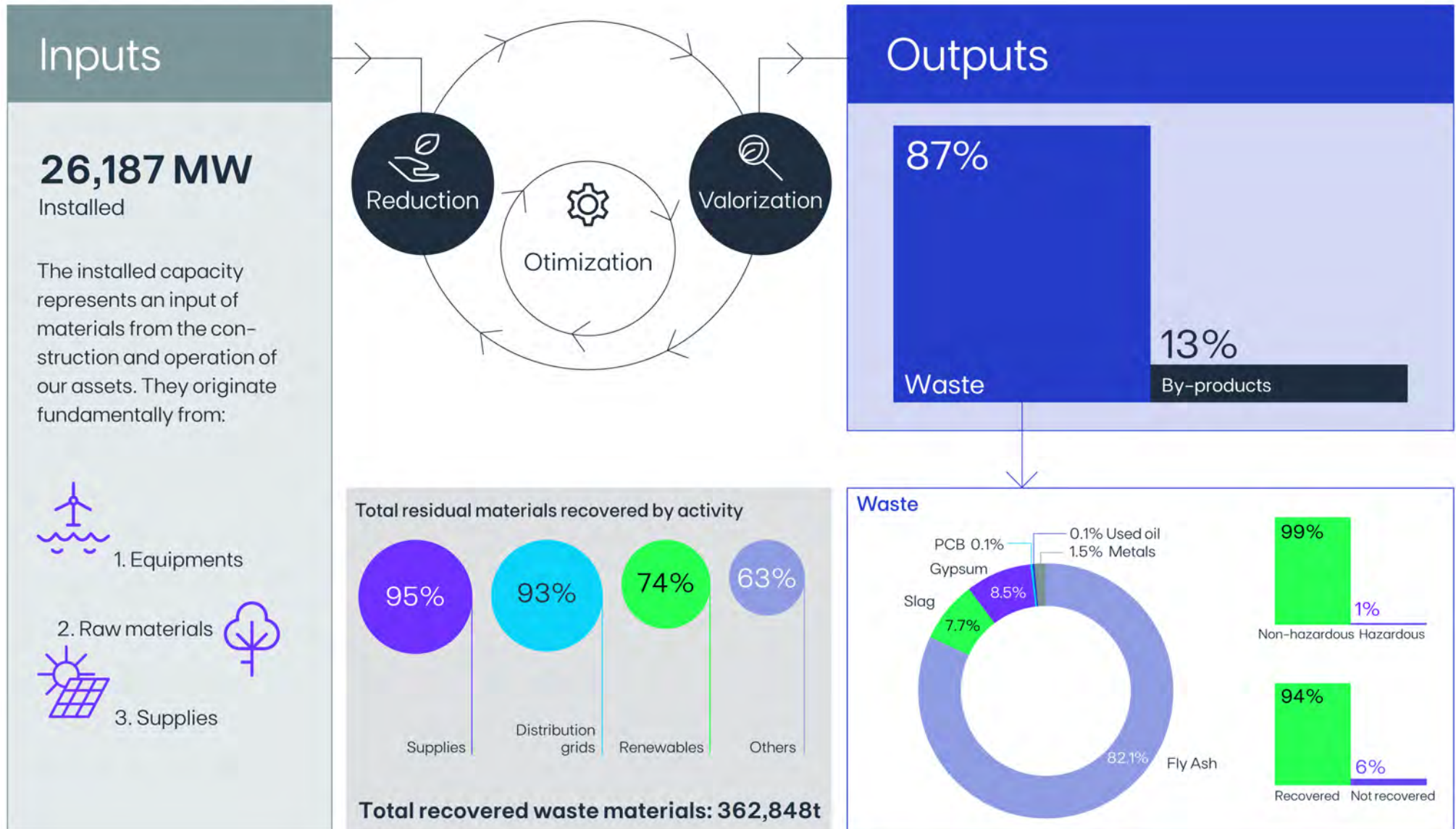
EDP has set out four ambitious circular economy targets for 2025, contributing to its commitment to SDGs 8 and 12, promoting decent work and economic growth, and sustainable production and consumption (see table on the following page). To achieve these objectives, a corporate roadmap was determined, to which projects and initiatives developed by the different Business Units of the group contribute. In 2022, there are several best practices for circular economy, for each of the priority axes of action, which are detailed in the following table.

KPI 2022	TARGET 2025
Promoting the Circular Economy	
74% Accelerating circularity in renewables in terms of operational waste and decommissioning	>80%
-66% Reduction of operational waste	-82%
52% Increased rate of recyclability in the operation	85%
-77% Reduction of water consumption	-78%

The Circular Economy is one of the axes of the EDP group's sustainability strategy, constituting an important pillar of its Environment Policy. For EDP, the Circular Economy is based on the efficient use of natural resources from a life-cycle analysis perspective, with the objectives of:

- Minimise the use of natural resources necessary for the proper execution of its activities
- Efficiently optimise and manage internal products and services capable of leveraging the circular economy in its customers
- Maximise the recovery of waste and its reintroduction into the economy as by-product.

MATERIALS INPUTS AND OUTPUTS



Axis of action	Initiative	Description	Business Unit
Efficient use of resources and materials	Alqueva floating Solar Power Plant	Integration of cork in the floats of floating photovoltaic panels. The introduction of cork instead of conventional float materials, such as plastic, allows the replacement of a non-renewable material with a renewable material, neutral in GHG emissions in production and more favourable to biodiversity. Within the scope of the project, a life cycle analysis (LCA) was performed specifically to evaluate the impact of this type of floating photovoltaic project versus projects that use conventional floats.	EDP Produção – Portugal
	Application of the Ecodesign Directive in the purchase of transformers in Distribution	In accordance with the European Commission's Ecodesign Directive, tier 1 transformers have not been purchased since 1 July 2021. Its replacement by Tier 2 transformers will reduce energy waste by 10% compared to Tier 1.	E-REDES – Portugal
	Energy storage system with batteries at solar farms	Installation of batteries for energy storage in solar farms with the aim of improving the flexibility of electrical systems, thus incorporating greater renewable capacity.	EDP Renováveis – Europe and Brazil
Durability	Reuse of buildings and infrastructure at the Sines plant under the GreenH2Atlantic hydrogen project	Reuse of buildings and infrastructure so as to increase their durability and prevent the production of waste. In particular through: reuse of the water outlet; electro chlorination building; group 4 adduction water duct; group 3 and 4 rejection channels; breakwaters; water treatment system building; demineralised water tanks; cable track tunnel between the plant and the water outlet; buried nets; accesses, etc.	EDP Produção – Portugal
Digitalisation	Transformers overhaul	Reconditioning of transformers and the use of predictive analysis and remote monitoring of this equipment in real time, which allows an increase in the responsiveness and quality of service, and simultaneously increases the useful life of resources through dematerialisation processes.	E-REDES – Portugal
	LIDAR system on power lines	Use of LIDAR flights for maintenance and monitoring of lines, avoiding travel and saving resources.	EDP Spain – Spain
Resources enhancement	Reclamation of wood resulting from the clearance of vegetation	Reclamation of cut vegetation in between the lines subject to Secondary Network Fuel Management Strips, focusing on supporting the protection and preservation of biodiversity and carbon sequestration.	E-REDES – Portugal
	Demolition waste reclamation	Deactivations have a minimum reclamation rate of 90%. Waste recovery with clear resource savings in other industries (e.g., steel and iron) and filling materials (if we reuse uncontaminated construction and demolition waste in the environmental reconversion of decommissioning).	EDP Produção – Portugal

Axis of action	Initiative	Description	Business Unit
New business models Capacity building and raising awareness	Solar energy sales as a service	Development of a business model as a service for solar, in which the management of panels made by EDP contributes to their better maintenance and, therefore, to an extension of their useful life, in addition to the fact that when the customer no longer needs them, they can be reused by other customers.	EDP COMERCIAL and EDP Spain – Iberia
	(Environmental Accreditation -	The Environmental Management System carried out and certified in all operational facilities in Europe and Brazil, which allows the promotion of circular economy guidelines that increase innovation and overall process efficiency, along with awareness of the theme among employees and suppliers.	EDP Renováveis – Europe and Brazil
	Training: Circulating at EDP	Initiative that aims to internalise the concept of the circular economy in EDP through the training of employees, with a focus on the development of mindset and competencies. It includes three axes: (1) Introduction to the circular economy, for all employees, with the objective of internalising the concept; (2) Short immersion courses on specific circular economy topics; (3) Circular Economy Days, developing mentoring aimed at developing examples of circularity in the company's business.	EDP Brasil – Brazil

EDP gathers efforts to develop solutions so that its main waste materials can be used as by-products and raw materials for another industry, namely fly ash and coal slag which made up around 96% of the total waste materials recovered (362,848 tonnes).

With regard to construction, operational activities and the maintenance of facilities, reuse is prioritised so that, when discarding, recycling is always considered as the first solution.

In this way, contracts are established with licensed operators who transport the waste to the appropriate destination for recovery. Efficient waste management goes beyond the suitable disposal of waste and its incorporation into the economic circuit, by promoting its reintegration whenever possible. This management starts upstream, in design and in the choice of materials necessary for the functioning of operations.

Water management

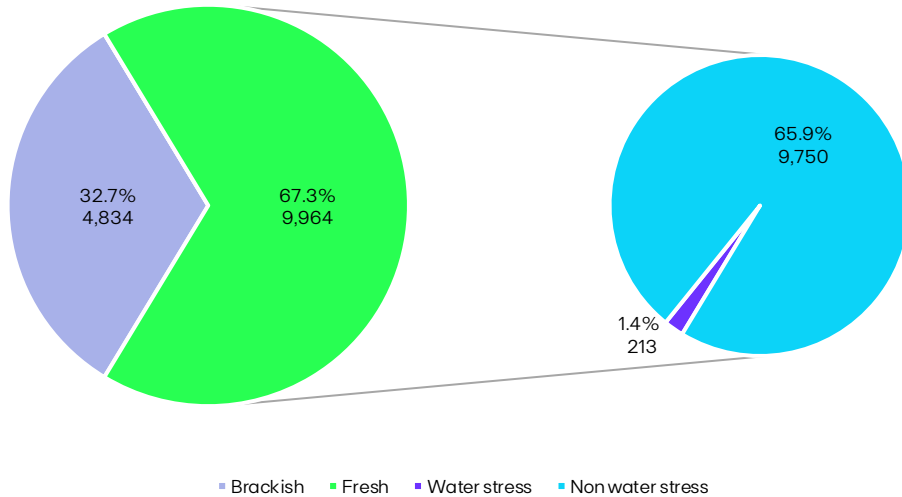
EDP recognises access to drinking water and sanitation as a universal Human Right and assumes its responsibility in the pursuit of SDGs, in particular SDG 15, contributing to the sustainable use of freshwater ecosystem services, and SDG 7, seeking to ensure the supply of clean and affordable energy for all.

Under its [Environmental Policy](#), EDP is committed to mitigating its impacts, managing risks and promoting the ongoing improvement of processes, practices and performance through a collaborative approach with stakeholders for the sustainable management and efficient use of water.

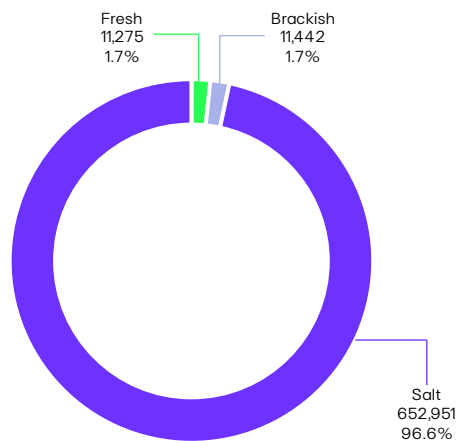
Water is a vital resource for electricity generation, particularly hydroelectric power, which is an important part of EDP's renewable generation portfolio and is crucial to its strategy of reducing CO₂ emissions and mitigating climate change.

Although, and contrary to the other activities of the organization, the use of water in hydroelectric production is not considered consumption, EDP monitors the volume of water managed in these assets, which has reached 112 million cubic metres, -44% compared to 2021. This indicator depends heavily on the hydropower productivity index in Portugal, in which the water portfolio is more relevant, being the same 0.63 (vs. 0.93 in 2021), 37 p.p. below the average hydrological year.

WATER CONSUMPTION (% , THOUSAND m³)



WATER WITHDRAWAL (% , THOUSAND m³)



The specific consumption of fresh water changed in 2022 (-25% compared to 2021), with the decrease in the EDP group's coal-fired electricity generation (10% vs. 2021), which is justified by the fact that the Pecém thermoelectric power station in Brazil has been shut down.

EDP monitors potential shortages, water quality and sediments, as well as the impact of the management of this resource on biodiversity, for which it undertakes mitigation activities such as the release of ecological flows, the

transfer and transport of fish, and support for scientific research on these topics.

It is important to mention the fact that the Pecém thermoelectric power station in Brazil is located in a water stress zone, so EDP uses the World Resources Institute's *Aqueduct* tool to assess its exposure to water risk at the hydrographic basin scale, then a local analysis is conducted considering quantitative information from national institutions and the experience of internal operational teams.

Since 2010, EDP has responded to the CDP Water Security, where it provides a detailed description of its ongoing initiatives. In 2022, EDP achieved the highest performance level of this index (leadership) with a rating of A.

In 2022, EDP attained the level of higher performance (leadership) with the rating

A

CDP Climate Change

CDP Water Security

3.6.3.2.3. Climate change

Prominently positioned at the forefront of energy transition, EDP recognises the importance of the electricity sector, and of its contribution to a low-carbon economy, as a solution for tackling climate change.

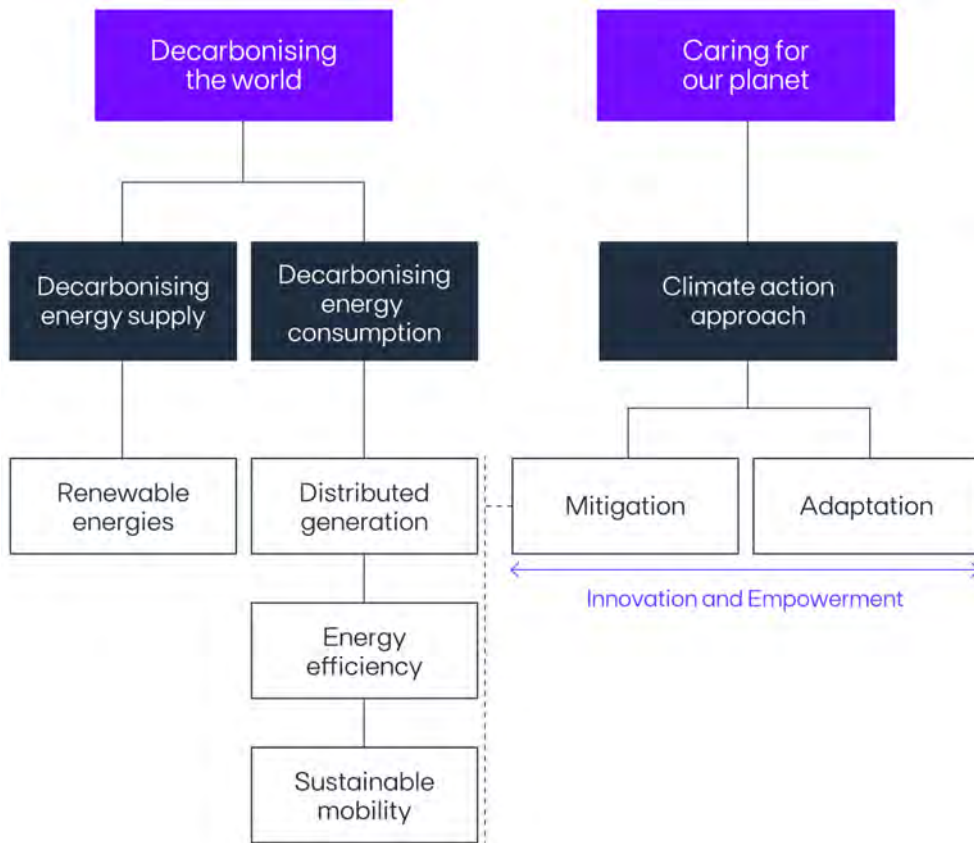
Given the current context of climate emergency, as well as compliance with the global commitment established by the Paris Agreement and reinforced by the Glasgow Pact to limit the increase in global average temperature to 1.5°C, EDP's contribution to combating climate change is realised through its Climate Action approach, embodied in the [Climate Transition Plan](#) (published in an autonomous document).

EDP's Climate Action approach focuses on mitigation actions - with the aim of reducing greenhouse gas (GHG) emissions and adopting climate change adaptation plans in all regions and business units exposed to significant climate risks. These actions are supported across the board by innovation - which aims to promote the development of carbon-neutral technologies and increase energy efficiency; and by capacity building, increasing awareness and transparency on climate change, both within and outside EDP.

This approach is the responsibility of corporate governance, which assumes a strategic role in the appropriate management of climate responsibilities and action plans, where it includes

the identification, analysis and management of climate-related risks and opportunities (more details in [Climate Transition Plan](#)).

EDP has publicly assumed a set of short, medium and long-term objectives and targets that support its decarbonisation strategy, approved by the Science Based Target initiative (SBTi) as being aligned with a decarbonisation trajectory of 1.5°C. It has also committed to achieving carbon neutrality by 2030 for its scope 1 and 2 emissions. Despite ongoing efforts to reduce GHG emissions, there are residual emissions that cannot be eliminated. For these, EDP will offset them through the use of carbon credits.



The following emission reduction targets are being validated by SBTi:

SCOPE	2030	2040
S1+S2 [intensity]	-95%	-96%
S3 [absolute]	-45%	-90%
S1+S3C3 [intensity]	-80%	-
S3C11 [absolute]	-45%	-90%
S1+S2+S3 [absolute]	-	-90%

EDP follows the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures), disclosing information on governance, strategy, risk and opportunity analysis, metrics and objectives and financial impact of climate change on the company ([Annex "EDP's Alignment with TCFD Recommendations"](#)).

The EDP group publicly discloses its response to the CDP Climate Change questionnaire, in which it details its strategy and performance in the fight against climate change in line with the TCFD ([CDP Climate Change EDP 2022](#)).

In 2022, EDP achieved the highest level of this index (Leadership A) in both the CDP Climate Change and CDP Water Security.

Climate action mitigation

Mitigation is directly linked to EDP's Business Plans, both on the supply side and on the demand side, with the aim of reducing global GHG emissions by implementing solutions based on four main pillars:

- | | |
|---|--|
| <p>1. Continued reduction of production from coal-fired power plants (by 2025) and natural gas (by 2030).</p> | <p>2. Increase in renewable power, with the public objective assumed by EDP of reaching 100% in 2030.</p> |
| <p>3. Strengthening electrification and promoting energy efficiency, favouring the supply and demand of renewable energies and sustainable mobility solutions.</p> | <p>4. Promoting innovation aimed at mitigating the effect of climate change, contributing to the energy transition to a low carbon economy.</p> |

In 2022, the first pillar was strongly influenced by the global energy crisis caused by the Russia-Ukraine war, which translated into an escalation of the price of natural gas on the international markets and conditioning the entire energy sector in Europe. In comparison with 2021 EDP observed:

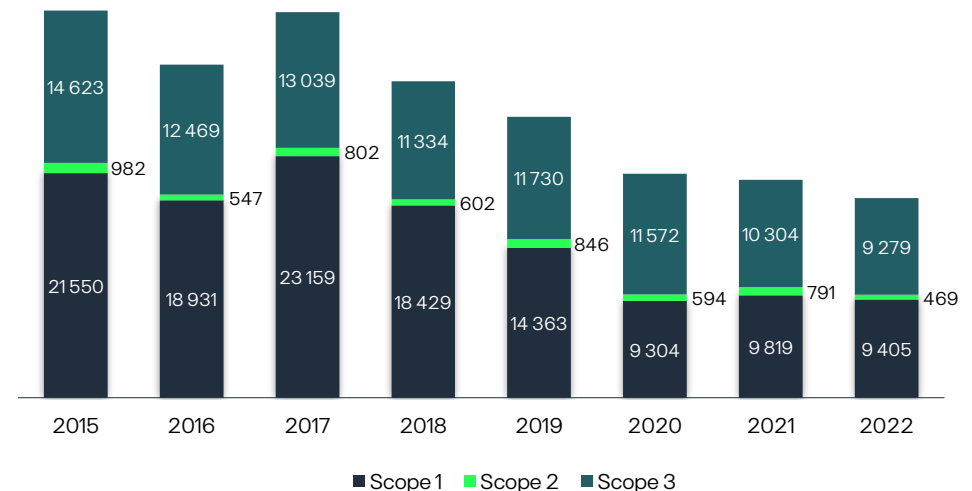
- a significant increase in electricity generation from coal-fired thermoelectric power plants in Spain (+ 64%)
- the closure of coal-fired power plants in Portugal, together with the severe drought experienced until November - the Hydroelectric Capability Index (HPI) was below 0.7, led to a considerable increase in electricity generation in CCGT (+ 35%)
- the net increase in renewable capacity (wind and solar) was only 1,320 MW.

As a result of these extraordinary operating conditions, there was an increase both in primary energy consumption (+ 4% than in 2021), although emissions associated with electricity generation fell by 4% largely due to the shutdown of the Pecém coal-fired power station in Brazil.

EDP reports its GHG emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (categories detailed in [annex table](#)). In summary:

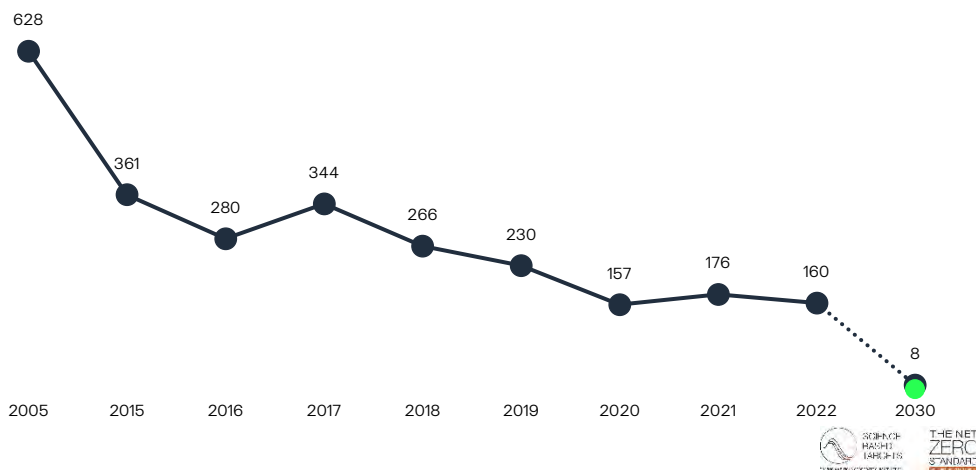
- **scope 1 emissions:** includes stationary emissions from thermoelectric power plants, which represent 99.7% of the total, as well as emissions from the vehicle fleet, fugitive emissions (SF₆) and those corresponding to natural gas consumption in buildings. In 2022, they totalled 9.4 MtCO_{2e}, 4% less than in 2021
- **scope 2 emissions:** refer to electricity consumption, including losses in transport and distribution networks (the part produced by third parties), internal consumptions in power plants and consumption in administrative buildings supplied by third parties. In 2022, they totalled around 0.47 MtCO_{2e}, 41% less than in 2021, largely due to the significant reduction in emission factors in Portugal and Brazil, affecting the contribution of losses in the distribution networks
- **scope 3 emissions:** comprise all remaining indirect emissions upstream and downstream of the value chain, not accounted for in the other scopes. They essentially include emissions associated with purchased goods and services, energy and fuel-related activities and the sale of gas to end customers. The total value of scope 3 emissions reached 9.3 MtCO_{2e}, 10% less than in 2021, essentially due to the reduction in the categories of sale of gas to end customers and energy and fuel related activities.

SCOPE1, 2 AND 3 EMISSIONS (ktCO_{2e})



The 7% reduction in Scope 1 and 2 emissions, combined with the slight increase in electricity produced (+ 2.6%), meant that specific Scope 1 and 2 emissions decreased by around 9% compared to 2021, settling at 160 gCO₂/kWh.

SCOPE 1 AND 2 SPECIFIC EMISSIONS (gCO₂/kWh)



The production of electricity at renewable energy power plants by replacing fossil-based thermoelectric production in the country where they operate avoids the emission of greenhouse gases in an amount corresponding to that which would be emitted by a mix of the existing thermoelectric portfolio in that country, producing the same electricity. In 2022, avoided emissions amounted to 22.7 Mt CO₂e, 4% less than in 2021.

The decarbonisation strategy also has an impact on improving energy efficiency along the value chain, contributing to the reduction of upstream primary energy consumption and, on the other hand, to greater efficiency in the end use of energy (third pillar), avoiding GHG emissions. In the car fleet, the percentage of electric light vehicles rose from 13% to 15% in 2022. It should be noted that EDP has assumed a commitment to electrify more than 40% of the light vehicle fleet in 2025 and 100% in 2030.

The fourth pillar regarding innovation is developed in [chapter 3.6.2.3.2](#).

Climate action adoption

Ensuring the resilience of its electricity generation and distribution infrastructures is one of the priorities of EDP's climate action. EDP has set a goal to have Adaptation Plans in place in its Business Units by 2022 which ensure the resilience of infrastructures that may be exposed to extreme events of greater intensity and frequency, given the reality we know today.

By the end of 2025, the global commitment is to achieve 100% implementation of these adaptation plans. To this end, the common corporate methodology supports the Business Unit plans already in place and the evaluation and quantification of physical risks are consolidated at corporate level in accordance with EDP's risk taxonomy, aligned with TCFD Recommendations.

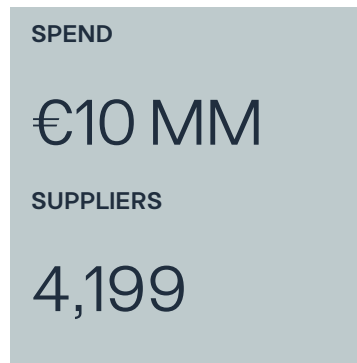
The level of exposure of EDP's infrastructures to physical climate risks is assessed considering the relevant climate variables, the short, medium and long-term IPCC scenarios and level of regionalisation. In addition to supporting the sensitivity analyses of the group's business units in the implementation of climate change adaptation plans, the physical risk analysis serves to support the decision for new investments.

Further information can be found at www.edp.com.

3.6.3.3. Supplier Management

Alignment with the SDGs	Objectives	KPIs 2021*	Target 2025
 	Volume of Purchases to Suppliers with Decarbonization Objectives	40%	75%
	Volume of Purchases to Suppliers with Gender Equality Objectives	15%	75%
	Volume of Purchases to Suppliers with Sustainability Reports	50%	75%

*2022 data in clearance



3.6.3.3.1. Scope 3 of everything

Recent years have seen a profound evolution in the regulatory framework and societal expectations regarding supply chains, with companies now assuming responsibility beyond their direct suppliers and subcontractors and into human and labour rights, integrity, cybersecurity and circularity. Companies should manage their scope 3 emissions with respect to everything, not just CO₂. The renewable sector is particularly exposed to this

demand because of the hopes for decarbonisation and access to electricity placed in it, and because its supply chain is based on cutting-edge technology, consuming energy and natural resources in a global market that is too concentrated, with numerous supplier layers, and lacking the required transparency. In particular, the photovoltaic and semiconductor sector is one of the most exposed to these demands.

Another challenging year

2022 was marked by Russia's invasion of Ukraine, with economic and humanitarian consequences including rising energy and food costs, and an ever-present climate crisis whose effective mitigation will require global transition to a low-carbon economy. Inflation accelerated in many countries as a result of pandemic-related disruptions combined with consumer demand and higher commodity prices. As a result, economic recovery plans focused on re-industrialisation are emerging simultaneously in the US and the EU, accompanied by increasingly demanding legislative packages for the environment and human rights.

This whole context is increasingly defined by the interaction of complex disruptions with disparate origins and long-term consequences for which organisations in general are not fully prepared, forcing an adaptation of the way risk is managed in this new environment.

In this sense, the concept of resilience, particularly in supply chains, gains relevance, as it is seen as the ability of organisations to cope with adversity, adapt and continuously accelerate as disruptions and crises arise over time.

For an organisation like EDP, present in multiple markets and business areas, supply chains hide interdependencies, potentially leading to crises, where hidden interruptions may arise, unexpectedly impacting the company's business plan.

However, the changes introduced during the COVID-19 pandemic, and more recently with the war in Ukraine, have also represented a new impetus for accelerated growth: the shift to digitalisation, new hybrid working models, rethinking supply chains and accelerating climate change investments. 2022 is therefore representative of the capacity to reinvent and innovate in the face of disruption.

Direct Challenges faced by EDP Procurement

In 2022, procurement faced market shortages and sharply rising fossil fuel costs and confronted the difficulties of timely supply of photovoltaic panels, electrical and IT equipment, ensuring with its partners the proper accreditation of entry into each country and managing customs blockages in the US.

At the same time, procurement met the growing number of EDP investment projects, portfolio realignment and geographical expansion, which required structural organisational measures. Likewise, regulatory changes have required measures to update processes and procedures.

EDP worked with 4,199 suppliers and bought over 10 billion euros, registering occasional, unforeseeable, and contained negative occurrences arising from established contractual relationships. The level of occupational accidents in the subcontracting of construction, installation and maintenance of equipment persists as one of the top priorities.

Supply chain – hot topics

Reporting Directive: the EU has approved new transparency and reporting rules for large companies. The measure will boost comparability between companies and favour procurement processes through the standardisation of indicators.

Due Diligence: in anticipation of the European Due Diligence Directive, companies are already embracing the substance of the law internally, cooperating to define sector standards and audits.

DNSH and minimum safeguards: the concepts of Do No Significant Harm and minimum safeguards have become the letter of the law with the European taxonomy. The funder must assess the negative effects of the projects it is financing on human rights, climate, biodiversity, water and material consumption. Direct and indirect Effects.

Scope 3: the SBTi initiative has become the benchmark for assessing decarbonisation trajectory and Scope 3 emissions must be calculated by all companies

War and monopolies: The invasion of Ukraine and the US–China geopolitical tension have shown the energy imbalance between the powers. The West has decided to accelerate renewable energy and reindustrialisation.

Forced labour: The complicity or alienation of companies in relation to forced and/or unprotected, poorly paid, segregated, repressive labour has become a frequent reason for scrutiny in dialogue between companies and suppliers.

Material scarcity and innovation: Uncertainty about timing, quantities, prices and continuity of access to suppliers is being accompanied by a high level of innovation and diversification in the electricity sector.

Due Diligence to Suppliers

EDP started implementing ESG Due Diligence in 2017, in accordance with the United Nations Ruggie methodology. As of 2020, with the approval of amendments to the Human Rights Policy and the ESG Protocol for Suppliers, the Due Diligence process was extended to all business units.

3.6.3.3.2. Identification and mitigation of Procurement Risks

Through criticality analysis, the EDP group identifies and segments the potential risks associated with each type of specification. The analysis is carried out using the Sustainability Matrix (EDP Sustainability Protocol), which combines the relevant risks of the activity, identified by consulting stakeholders and attributable to the sector, with the characteristics of the specifications. Based on this criterion, the following was analysed: financial, business relevance and continuity; dependence and autonomy; access to data; facilities; customers; local communities; cybersecurity; emissions potential; waste; environmental accidents; accidents at work; integrity and compliance; human and labour rights. Once the risks of each type of purchase have been identified, non-negotiable clauses are included in the specifications that establish the minimum qualifications that suppliers must meet, as well as the rules for monitoring execution of the contract. Suppliers that submit proposals only enter the negotiation phase after due diligence of integrity, legal and ethical, financial, technical, social and environmental compliance is carried out.

Through the application of Go/No-go rules in the selection of suppliers and contractual clauses that include monitoring, audits and performance assessment, EDP ensures that it works with low-risk suppliers with skills appropriate to each activity's inherent risks.

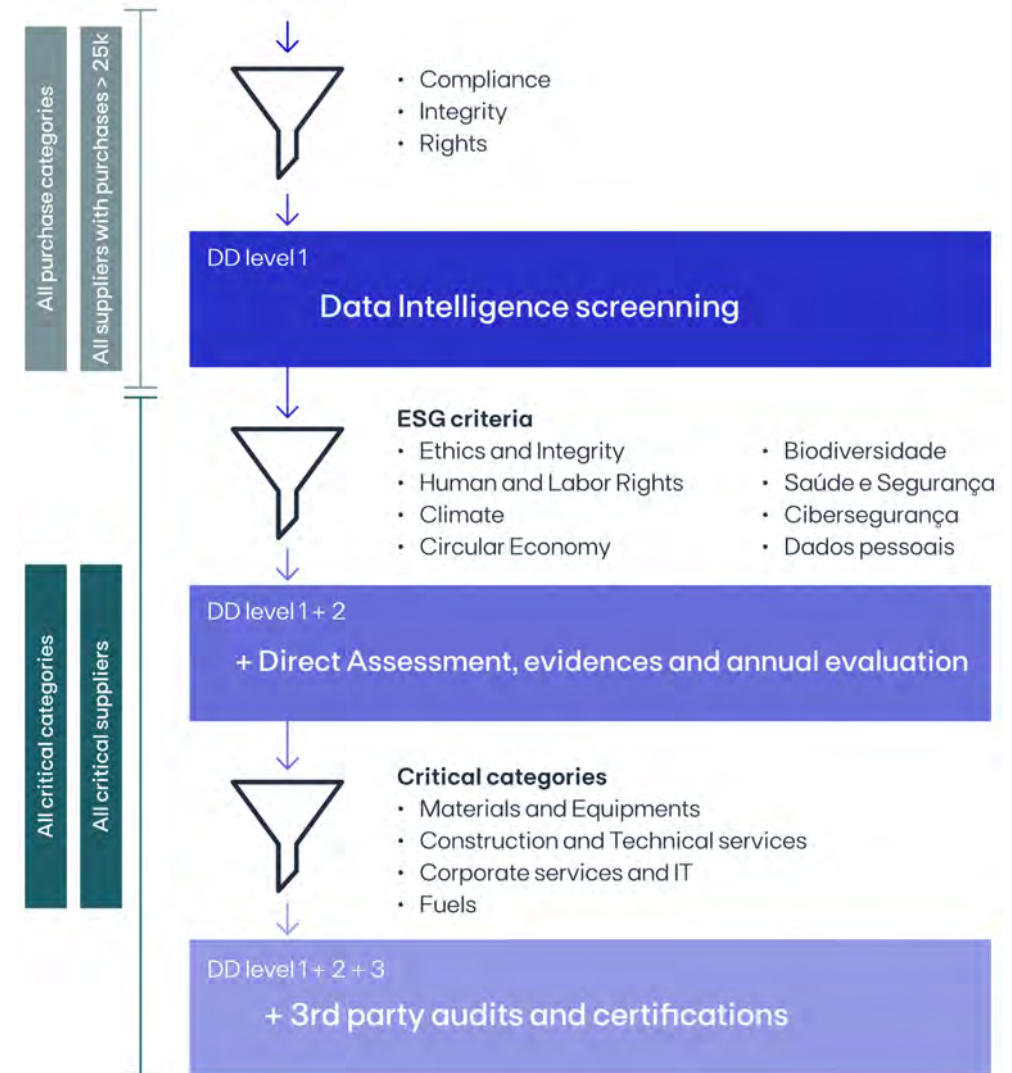
ESG CRITICALITY MATRIX

- 1 Supply category (value chain country/sector/activity level risks)
- 2 Purchase amount (EUR)
- 3 Duration of the contract and frequency of supplies
- 4 Importance for operation, innovation and investment
- 5 Consequence of sudden supply interruption
- 6 Irreplaceability of suppliers
- 7 Supplier access to equipment/facilities
- 8 Supplier access to customers
- 9 Supplier access to protected personal data
- 10 Supplier access to reserved data and Cybersecurity
- 11 Risks of occupational accidents from the contracted activity
- 12 Environmental risks from the contracted activity
- 13 Ethical, human and labour rights of the contracted activity

Indirect risks and traceability

Through qualification and rules for direct suppliers (scope 1) and subcontractors (scope 2), EDP also leverages the mitigation of indirect risks (scope 3), mainly attributable to upstream activities in the supply chain. However, in the equipment and technology chain the identification of specific indirect suppliers is unfeasible until an international standard for traceability and origin of materials can be established (see [Action Plan](#)).

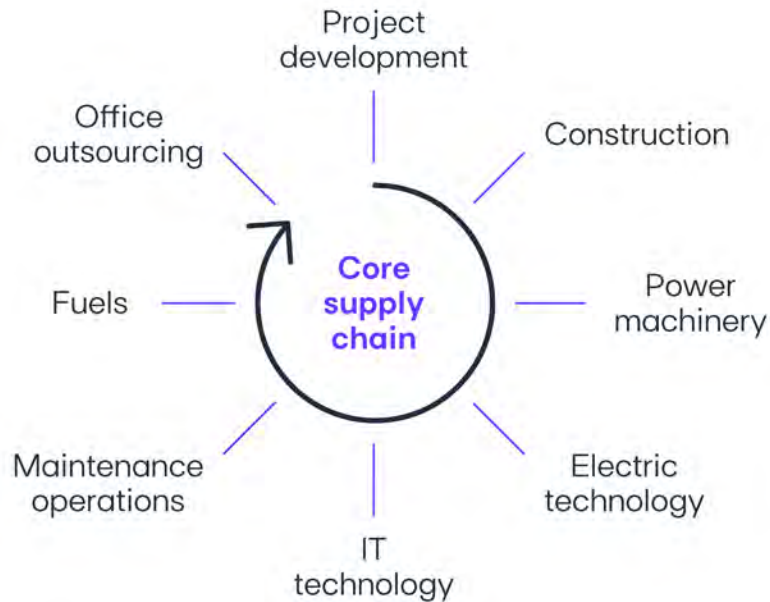
ESG DUE DILIGENCE LAYERS



See chapter "[Promote and respect Human Rights](#)".

EDP's core supply chain

There are four ESG risk segments in the supply chain that correspond to the purchasing categories of the value chain.



Management tools

- Sustainable Purchasing Policy
- Supplier's Code of Conduct
- Sustainability in Purchasing Protocol:
 - Due Diligence
 - Risk analysis
 - Assessments, audits, and annual appraisal
 - Contractual clauses
- Human and Employment Rights Policy
- Climate and Environment Policy
- Prevention and Safety Policy
- Code of Ethics for contractors
- Integrity Policy
- Ethics and Speak Up Channels
- Sustainable Purchasing Committee
- Objectives and KPI policy

Sectoral tools

- SEIA - Traceability Protocol
- SPE - Solar Stewardship Initiative
- Bettercoal - Code
- ISO 20400

In 2022 there was a very significant increase in the volume of purchases, which rose from EUR 5.7 billion to EUR 10.1 billion. The increase in fuel prices explains 50% of the growth and the decarbonisation investments arising from the Business Plan justify the rest

3.6.3.3.3. Supply Chain ESG Goals

In 2020, EDP expanded the sustainable procurement targets to define the obligation of strategic alignment of suppliers with EDP's objectives. In fact, pursuing goals of carbon neutrality, circularity, biodiversity gains, respect and promotion of human rights, EDP needs its supply chain to commit to the same practices and contribute to transparency, traceability, verification of impacts and the reduction of the negative ESG footprint. In this way,

PURCHASES RISKS AND SEGMENTATION	2022	2021	2020
Electrical/Industrial technology ESG upstream footprint	13%	22%	24%
Technical Services and Construction Waste, Safety, Subcontracting, local impact, ESG upstream footprint	41%	40%	53%
Corporate Services and IT Data Privacy, Cybersecurity, Integrity	16%	18%	14%
Fuels CO ₂ emissions and pollutants, waste, safety, working conditions, upstream ESG footprint	30%	20%	9%

maintaining the previous objectives of minimum ESG requirements, due diligence and performance monitoring, EDP introduced alignment metrics in the objectives.

Segment	Profile	ESG Level	Target
All suppliers	All suppliers under procurement	ESG Due Diligence - screening	Annual – 100%
		Volume of purchases from suppliers with objectives aligned with EDP goals	2030 – 75%
Critical suppliers	Suppliers exposed to activity risks	ESG Due Diligence - Verification of Evidence, Certifications and Audits	Annual – 100%

Critical Suppliers: Critical suppliers include all key suppliers for the success of the business plan, as well as suppliers that perform activities that may expose them to ESG risks: occupational accidents, waste, informal subcontracting, access to personal data and customers, cybersecurity, integrity, size of the ESG footprint upstream in the value chain, in particular CO₂ emissions and human rights.

Suppliers: suppliers for purchases over 25 thousand euros, including all critics.

3.6.3.3.4. Action plan 2023

Align suppliers with EDP's goals	<ul style="list-style-type: none"> • Hold the international EDPartners event to promote suppliers' commitments to the renewable and sustainable energy strategy. • Share knowledge through the EDPartners community
Guarantee Human and Labour Rights	<ul style="list-style-type: none"> • Collaborate and support the implementation of certification in Human and Labour Rights • Extend human rights training to meet new legal requirements • Collaborate with suppliers in the creation of risk maps
Promote Transparency and Reporting	<ul style="list-style-type: none"> • Support the publication of sustainability reports, the provision of SpeakUp channels through contractual measures and sharing of experience
Decarbonise the supply chain	<ul style="list-style-type: none"> • Adapt the procurement categories to European taxonomy • Interconnect databases with information on companies' CO₂ emissions, strategies and certificates. • Establish comparability criteria for carbon intensity at the product or service level. • Support the suppliers' decarbonisation journey
Ensure integrity and compliance with the law	<ul style="list-style-type: none"> • Adapt Due Diligence procedures to the specific requirements of the new legislation and to the rules that will be adopted by the business sectors. • Develop and build the capacity of assessments and independent auditors
Promote the circular economy	<ul style="list-style-type: none"> • Promote Environmental Product Declaration (EPD) after life cycle assessment (LCA) following applicable product category rules (PCRs) and ISO 14025 standard. • Collaborate in initiatives that develop product passports dedicated to electrical and electronic equipment
Develop strategic ESG partnerships	<ul style="list-style-type: none"> • Fund and collaborate in Europe's Solar Stewardship Initiative (SSI) project, which aims to set the ESG standard for policy, due diligence and traceability in the photovoltaic sector • Continue to fund and collaborate on the Bettercoal project, which ensures ESG qualification of coal mines • Collaborate with non-governmental organisations and participate in the working groups of corporate associations that promote sustainability in supply chains

Javier Rodríguez Diez

Chief Sales Officer of Vestas Wind Systems

“Our partnership with EDPR goes beyond a pure commercial relationship: for the last 15 years, we have worked together to contribute to the deployment of wind energy across the globe. We have successfully executed very complex projects across different geographies and that is only possible when two leaders work passionately towards the same goal.



Our commitment to accelerate the energy transition to help tackle climate change, our shared values and a historical partnership built on trust allow us to continuously innovate and reinforce best practices together.

We also support one another to find optimal solutions for any challenge that may arise, to maximise the quality of our products, minimise risks, decarbonise our operations across our entire value chain, and of course, to have a positive impact on the communities where we operate. Our collaboration through the initiative Keep It Local to train people living in rural areas to become service technicians is a testament to our willingness to maximise the value we offer to society through job creation.

I know we still have a long way to go, and I feel proud to have been myself part of this exciting journey along with EDPR. We are grateful for their trust in our people and in our solutions.”



3.6.3.4. Respect and advocate for human rights

Alignment with the SDGs	Objectives	KPIs 2022	Targets 2025
	Protect Human Rights in the supply chain, according to the Ruggie methodology through Due Diligence, audits and performance assessment	100%	100%
	Carry out human rights impact assessments on the development of infrastructure projects, following the Ruggie methodology	100%	100%

Management approach

EDP pursues a policy of full respect for human and labour rights and, at the same time actively promotes universal human values. The commitments are set out in the Human and Labour Rights Policy that was updated in 2021, in conjunction with the [Code of Ethics](#), the [Stakeholder Relations Policy](#) and the [Supplier Code of Conduct](#). In addition, the EDP group also has Diversity and Voluntary Investment in Community policies.

The [Human Rights Policy](#) covers the entire EDP group, has been approved by the Board of Directors and has a dedicated Committee. The Policy is prescriptive in nature, identifies the references, standards and international conventions to which it is subject, establishes the strategic principles, specifies the principles for action, assigns responsibilities, determines obligations and management bodies. The Policy details operational commitments, its workings, complaint and communication channels, reporting and training obligations and extends obligations to suppliers. In particular, the Policy sets out Due Diligence procedures, implementing the Ruggie and OECD methodology, and anticipating the EU Due Diligence directive.

The report on [Human and Labour Rights](#) is carried out in an integrated manner through a specific annual report. In this report, the subject of human rights is separated into several sections and should be read in conjunction with the Ethics and Integrity, Suppliers, People and Prevention and Safety reports. The annual Human and Labour Rights report aggregates all the themes, publishes the country and risk maps, as well as the specific risks of each stakeholder group.

Identification of risks

The analysis of the risks related to the respect for human and labour rights is carried out by assessing the country risk, the local risk and the specific risk of each activity according to the nature of the project, informed by the sector's risk map. Depending on whether we are considering new investments, the creation or modification of infrastructures, contracting suppliers and other counterparties, or operations with customers and employee management, specific risk control and mitigation measures are implemented.

The EDP group's activity is exposed to four main risks for negative impact on human rights.

Stakeholders	Risk
Indirect suppliers to the electricity sector	Failure to follow ILO Conventions
Service providers (contractors)	Accidents at work
Local communities of coal-fired plants to be closed	Unemployment
Vulnerable local and indigenous communities	Negative impact on the land

Failure to follow ILO conventions

Fundamental labour rights are enshrined in eight International Labour Organisation conventions: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.

EDP faces indirect risks of failure to respect fundamental labour rights relating to the extraction and production of the materials necessary for the value chain of manufacturers of electrical technologies. These risks occur several levels upstream of the direct suppliers and focus on internationally identified regions.

Accidents at work

The risks of accidents at work are manifested in operations and construction work, and in the installation and maintenance of equipment, carried out mainly in outdoor spaces. When contracting suppliers, the EDP group always ensures full prior verification of compliance with the fundamental conventions of the International Labour Organisation, as well as requiring proof of satisfaction of remuneration conditions, and monitors compliance with the Supplier Code of Conduct throughout the contract, as detailed in the chapter on Supplier Management in this report.

Unemployment

In the field of new investments and infrastructures, the main risks are related to guaranteeing the rights of local communities, namely property rights, which are typically rights of use that are not embodied in full ownership, such as the situation of indigenous territories, fishing or hunting areas, protected landscapes and land use rights. In these cases, the construction right authorised by the public authorities can be substantially challenged by the communities.

Negative impact on communities

Likewise, the installation or modification of an infrastructure may have effects on local social dynamics or ecosystems. For these reasons, the EDP group normally conducts social and environmental impact studies and opens communication channels in order to ensure proper management of projects, including full consultation with stakeholders, as established in its policies.

Negative Occurrences

The procedures established ensured that, throughout 2022, as in previous years, the EDP group was not subject to accusations or suspicions of violations of fundamental human and labour rights. However, occasional occurrences were registered and dealt with, being neither structural nor recurrent and often related to individual behaviours or situations leading to complaints that were solved within the ethical process and, when justified, gave rise to corrective measures, penalties or reinforcement of established procedures.

Among the dozens of EDP projects, there are investments with a significant community impact, such as the São Manoel hydroelectric plant in Amazonia, the transmission network in Brazil and the wind project in Colombia.

Objectives and action programmes

OBJECTIVE	2020	2021	2022	TARGET 2025
Protect Human Rights in the supply chain, through due diligence, audits and performance assessment	100%	100%	100%	100%
Assessing human rights impacts in the development of infrastructure projects, according to the Ruggie/OECD methodology	100%	100%	100%	100%

In addition to the management system that guarantees and implements objectives, EDP has action programmes directed at the most salient risks.

Risk	Action Programme
Failure to follow ILO Conventions	Extension of Due Diligence to Indirect Suppliers
	Solar Stewardship Initiative - due diligence standard for the solar sector Bettercool - due diligence standard for the mining sector
Accidents at work	Global PlayItSafe Programme
Unemployment	Just Transition Local Reinvestment Plans
Negative impact on the land	Local Community Development Programme

Supply Chain Traceability and Due Diligence Programme

EDP systematically scrutinises any evidence of human rights violations that may be related to any counterparty, and especially to the electricity sector and decarbonisation, through a due diligence process on legal compliance, integrity, human and labour rights to counterparties with deals above €25,000. This process covers 99% of the purchasing volume and results in the exclusion of those who do not guarantee compliance with national and international standards. Additionally, for the suppliers of the electricity sector's value chain, and according to specific risk maps, there is scrutiny on climatic and environmental issues, on skills and sustainability management practices, financial risks and business continuity, cybersecurity, prevention and safety management, and quality, among others. Once the contractual relationship has been established, where the ESG requirements are converted into contractual clauses, EDP monitors, audits and evaluates the performance of its critical suppliers.

However, the Due Diligence process has been directed at contracted or yet-to-be contracted suppliers. Currently, regarding the relevant sectors for the value chain of the electricity sector, EDP aims to extend Due Diligence for indirect suppliers. Conducting audits of the suppliers of

suppliers is an emerging issue on the international agenda – it requires time, a change in mentality, and collaborative work from companies. EDP is currently working on this issue, discussing with its suppliers exposed to risks, modifying contractual clauses, requesting equivalent commitments and the principle of independent auditing.

In this area, the photovoltaic panels sector is a priority, insofar as it is a strategic technology in EDP's business plan and is exposed to geopolitical conflict, is affected by accusations of forced labour, customs controls, price rises and logistical disruptions, generating significant medium/long term uncertainty.

Believing that extending the practice of due diligence to indirect suppliers depends on companies from each industry sector working together, EDP is a co-founder of the Solar Stewardship Initiative, a Solar Power Europe programme, which has established a code of conduct and auditing principles specific to the solar sector. Auditing of companies, especially those exposed to charges of colluding with forced labour, is the action plan for 2023.

PlayitSafe

The persistence of serious occupational accidents of people working for companies subcontracted for electricity infrastructure construction and maintenance services is also at the top of EDP's priorities. The programme is detailed in the chapter on Prevention and Safety.

Respect for local and indigenous communities

The implementing of new technologies on the Energy Transition requires the approach of new territories, often sparking issues of distrust and fear with the building of new facilities for renewable energy generation. In the United States a most recent lawsuit was filed in December '22 against Wildcat Creek and EDPR NA and reported at RepRisk, although the operation is functional, and no community complaints were registered at the regular auscultations or grievance line activation. Differently from the opposition groups active in Rolling Uplands Wind Farm, still at Project phase, where all assessments required were published and no risks identified. Still, the community is worried about viewshed impacts and EDP works its way through ongoing dialogue with project stakeholders, local authorities and attendance at public meetings. The same mistrust of the newcomers led Village of Misenheimer officials (where the Misenheimer Solar Park is being built) to delay issuing a permit on clearing trees, while waiting to become familiar with the project, and ensure EDP was abiding by environmental agency requirements. Throughout, the dialogue with the Village is ongoing, with public events hosted in the community.

Judy Waligory

Landowner

When the Maple Ridge Wind Farm came to New York state, landowners like Judy Waligory worked with EDPR NA to host turbines on their land and bring new opportunities to their rural community.

“My husband’s family farmed this land, and we now have eight wind turbines on our property. EDPR’s wind turbines have helped us stabilize our family’s income. We use the income from the turbines for living expenses and planning for the future. I have two children and five grandchildren, so this will help make their lives a little bit better.

The income that families, towns, school districts, and municipalities get from the wind farm really benefits everybody. It's not just the landowners—it's the entire community. Many of the EDPR employees have lived here for a long time, so this is their neighbourhood. They want to see the whole community be a success. We're able to provide more services for children in this school and better services for taxpayers. It feels good to contribute to green energy to help not only our own community and our country, but also the entire world. It's just a small part of the picture, but it's our part.”



Judy Waligory
Landowner

Other countries are going through the same fear of the new, such as Colombia where the operation is at the building phase and the indigenous region of the Wayúus has faced group protests: EDP is committed to develop long-term programmes for the territorial and socio-economic enhancement of these communities, in full compliance with the obligations arising from the socio-environmental licensing and acting with full respect for the legislation and indigenous rights protection standards.

The implementing of the programs, projects and assumed commitments will be due with the assumed proactiveness, dialogue and commitments to the people and local authorities. Collaboration with local associations and institutions has been reinforced, to understand local people needs and decide according to their priorities. The communication channels are operational and a total of \$ 9,276,000 COP on food and essential commodities was donated to the “Shoshinchon community”, affected by weather issues.

In Brazil the São Manoel Hydroelectric Power Station has been exposing EDP to impacts arising from interference in the territories historically used by the Kayabi, Munduruku and Apiaká ethnic groups, made up of around 1,400 people living in 19 villages on the banks of the Teles Pires River. As mitigation measures and environmental compensation for the benefit of these peoples, the Indigenous Components of the Basic Environmental Plan of UHE São Manoel (PBAIs), were prepared respecting the specificities/particularities of each indigenous people, being constituted in a long participatory process of dialogue that was monitored and approved by FUNAI at all stages of development. Each PBAI is contemplated with the execution of 17 programs that aim to improve the quality of life of these peoples. For the implementation and monitoring of the programs, Management Councils were created with representatives from the Company, FUNAI and each of the indigenous communities involved.

The execution is prioritized around the execution of actions linked to subsistence activities, such as: Program for Strengthening Indigenous Organizations, Program for Identification and Management of New Sources of Non-timber Forest Products, Environmental Project for Management and Conservation of Tracajá, Program for Monitoring Chelonians and their Reproductive Habitats, between others.

The construction of one school, two flour houses, a health support housing facility and Basic Indigenous Health Units in the Papagaio and Bom Futuro villages of the Munduruku people as well as in Aldeia Três Maria I and III Povo Apiaká resumed.

2022 continued implementing the granting of higher and technical scholarships, within the scope of the Program for Strengthening Indigenous Organizations. 38 scholarships have

already been awarded. Art and handicrafts are being promoted through generation teaching: The pieces produced are being marketed in partnership between the artisans and the Indigenous Associations. An Integrity Management Support Program was implemented throughout 4 million hectares identifying the pressure vectors, such as prospecting activities and agricultural expansion that act with actions direct impact, mainly on deforestation. The development of the Community and Nature Integration Project, inserted within the Environmental Education Program at UHE São Manoel, was constituted from the realization of the Participatory Evaluative Diagnosis that prioritized the involvement of the local population.

Facing the identified risk of dam breaking, new training was promoted through the workforce and inhabitants, as well as alarm systems and personal equipment reinforced.

This same risk was identified at UHE Cachoeira (Amapá) Human Rights and Labour Assessments, and again an alert system was created through sirens. Cachoeira Caldeirão has developed social projects in partnership with Instituto EDP all year long. In general, projects were carried out to meet the social needs of people in situations of vulnerability, especially those most affected by the pandemic.

Work accidents with employees or third parties were identified at Gielly Nayara Euzebio Arreco / Valeria Lopes Pereira / Kassio De Souza Kuster (EDP Espirito Santo) and Rafael do Prado grids: there were no complaints through grievance or auscultation, but group protests arouse when facing difficulties as problems with invoices, Charge for irregularity, Reading mistakes, Deadlines, Consumption Variation, etc. EDP is providing specific education as a new path to fight these vulnerabilities, and reinforcing social projects around health, entrepreneurship, sports and culture throughout the year, bonding the communities with the operation.

Negative events

The established procedures ensured that, throughout 2021, as in previous years, the EDP group was not subject to accusations or suspicions of violations of fundamental human and labour rights. However, occasional occurrences, which were neither structural nor recurrent, were recorded and dealt with, often related to individual behaviours, and translated into individual complaints that were endorsed and solved within the framework of the ethical process and, when justified, gave rise to corrective measures, penalties or reinforcement of procedures.

Just transition

The closure of power plants will always be both a sign of Energy Transition on the path to NetZero emissions, as it will always leave the trail of unemployment, economy depression and social challenging times to local communities. That's why Just Transition must be the motto for this commuting: ensure decarbonization while mitigating all the outcomes of the coal shutdown.

EDP is a world leader on energy transition, assuming its responsibilities towards the communities where it acts. Communities are engaged from a close and human perspective, promoting local development as a tool for the implementation of Human Rights. Our commitment is to fight Climate change, striving for NetZero leaving no one behind.

EDP worked closely with the European Union institutions in to fasten the policy making, the funds and the acts protecting the energy transition.

Several steps were taken at stakeholder engagement level by the EDP group towards the policy makers of the European Union:

- July 2022: Joint letter with ENEL and Iberdrola, pushing for a rapid adoption of H2 Delegated Act. [EDP on LinkedIn: Delegated Act - Joint Letter](#)
- letter to the EC with EDP Positioning on RePowerEU: supporting RePowerEU strategy and calling for a rapid adoption of H2 Delegated Act
- response to Commissioner of Energy Kadri Simson's response to EDP letter
- June 2022: EBD member meeting with Commissioner for Innovation and Research Mariya Gabriel
- October 2022: Letter with environment groups and civil society calling the EC to publish [h2 delegated act](#)
- November 2022: [Business Letter](#) Urging the Commission to Issue a Strong RFNBO Delegated Act promoted by Google and other partners

In this letter, EDP claimed an hourly correlation of consumption with renewable electricity generation for electrolytic hydrogen to justifiably be named renewable, geographic correlation in terms that hydrogen and renewable electricity production should occur within the same geography and the introduction of the principle of additionality.

- meeting with the cabinet of VP for the EC, Frans Timmermans, on the H2 delegated act.

In Sines (Portugal) the power plant began its closing process in January 2021, and a social programme "Futuro Ativo Sines" was put together, designed as a Fair Transition tool for the southern Portuguese region.

The numbers evolved in 2022 showing the success of its implementation: [EDP website](#) public info on the Programme also disclosed at [Sines Municipality site on EDP social Programme](#).

A support office was put together with the Municipality and the National Institute for Skilling and Employment (IEFP): 111 registrations were held there, from 128 ex-workers that were registered at the IEFP.

67% are now working; 4% still under support from the Institute; 9% retired or are under health leave, and 20% undertook reskilling programs.

19 social entities received material from the dismantled plant; and 11 local ONG received from the Fund created to support the region, EDP Solidária Sines, a total of 141,000€. A reskilling program was created and an entrepreneurship scholarship created: [EDP website on the entrepreneurship skilling](#) also public at [Sines Public Technological school site](#), on the entrepreneurship skilling.

The case study of Sines inspired and fed the [World Economic Forum toolkit for the Coal to Renewables engagement](#). Presented at the Davos meeting in 2022, the [Programme won the Community Involvement Program of the Year at Environmental Finance's Sustainable Company Awards 2022](#).

Throughout 2022, EDP Spain engaged in its path to a Just Transition:

- at Aboño, the H2 "fase 150MW" proceeds with the Basic Project and has started the environmental processes ESIA and MS AAI. The Natural Gas exchange is building its Basic Project, and already started the environmental procedures ESIA and MNS AAI. There's a Synchronous Compensator being studied for implementation after Aboño 1 is definitely closed. Side-by-side with the technical transition, the social process was engaged to focus on communities: The municipalities of Carreño, Gozón, Corvera de Asturias, Llanera y Villaviciosa had an entrepreneur program called ENTAMA, previous to EDP Spain but now focused on the JT regions; the recovery of rural paths and ecosystem services was established by the Mi Entorno program (Mi Entorno program)
- at Soto de Ribera, the H2 "fase 5 MW" has its Basic Project being completed and has started the environmental procedures ESIA and MS AAI. The synchronous compensator

is being studied and will only apply after the closing of Soto 3. Storage: several distinct long term technology approaches are being studied. Socially, over 18,000€ were invested in upskilling (EDP + Joven) through technological scholarships to 75 young men also on the municipalities of Ribera de Arriba, Morcín, Riosa, Quirós, Teverga, Mieres, Aller y Lena, along with other programs recovering the Nalón River or the planting of trees

- in Los Barrios and Puente Nuevo, those programs (EDP + cerca; ENTAMA; mi entorno) were also applied, in order to reinforce the social network and the communities affected by the energy transition. Scholarships for electrical skills were very much appreciated by young people in those areas.

Championing Human Rights programme

The active promotion of human and labour rights is an integral part of EDP's strategy. The approach and programmes to promote human and labour rights are dealt with in depth in the People chapter and the Social Investment chapter.

Through the Social Investment Policy, according to the B4SI methodology, in alignment with the global priorities of the United Nations expressed in the Sustainable Development Goals, EDP gives priority to social inclusion programmes, in particular directed at vulnerable communities, for the development of skills, and for energy inclusion, either through measures to combat energy poverty or through energy access programmes for populations not connected to electricity grids.

3.6.3.5. Voluntary investment in the community

3.6.3.5.1. EDP group's social investment – strategic vision

The EDP group actively contributes to the sustainable development of the communities in which it operates worldwide, through its own social investment and collaborative initiatives, donations and volunteering. As social impact is a strategic pillar of the EDP group, these initiatives aim to meet social needs in line with the group's core themes, namely investment in **fair energy transition** projects which should represent around **45% of investment by 2025**.

The **Fair Energy Transition** projects include support for energy access, energy inclusion and communities impacted by the closure of thermal power plants, projects aimed at protecting natural heritage and biodiversity and also projects promoting energy efficiency and renewable energies, contributing to decarbonisation and combating climate change.

On the other hand, the group's social investment strategy is also based on **Culture**, with the mission of promoting access to culture, stimulating art and protecting cultural heritage. Cultural projects are projected to represent around **30% of investment by 2025**. In parallel and recognising the need to continue to support projects that respond to other social needs in the communities where EDP is present, part of the annual budget is earmarked for investment in various areas, such as training, health, social inclusion and response to emergency situations, among others.

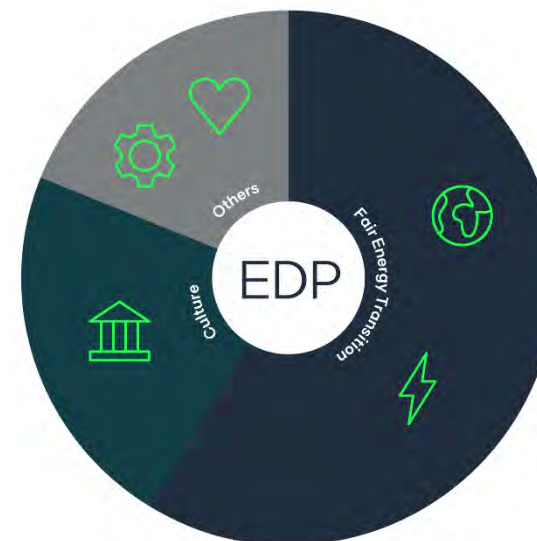
These Pillars are aligned with the [Social Investment Policy](https://www.edp.com/yes) at [edp.com/yes](https://www.edp.com/yes)

THEMATIC FOCUSES OF SOCIAL INVESTMENT	GLOBAL INVESTMENT 2022 (M€)	%	TARGET 2025 (%)
Fair Energy Transition	6.2	24	45
Culture	11.1	42	30
Other projects	8.9	34	25
TOTAL	26.2	100	100
Management costs	5.4		
TOTAL WITH MANAGEMENT COSTS	31.6		

In 2022, the **EDP Y.E.S – You Empower Society** brand was created, whose main objective is to communicate to the various stakeholders of the EDP group the social investment projects developed in the countries where EDP is present. The projects are classified into **five main**

Pillars: Energy, Planet, Skills, Culture and Community, which are framed within the thematic focuses of EDP's social investment strategy. For more information on the social investment projects that are part of each EDP Y.E.S pillar and the respective social investment focused, please see the [EDP group Social Investment Report](#).

THE FRAMEWORK OF THE EDP YES PILLARS IN THE SOCIAL INVESTMENT THEMATIC FOCUSES



3.6.3.5.2. Voluntary contributions – application of the B4SI methodology

EDP uses the international methodology [B4SI – Business for Societal Impact](#) to characterise and assess its **voluntary investment in the community**, which accounts for most of the investment made in this area (98%). This model promotes alignment between the purpose of companies and social needs, facilitating the structuring of priorities and reflecting on their results and benefits for the communities.

In 2022, from a B4SI perspective, voluntary investment in the EDP group's communities was **31.2 million**, supporting the projects of **634 entities**, resulting in **3.2 million direct beneficiaries**. Of this amount, **94%** was classified as **strategic**, **3%** as **not strategic** and **3%** as **commercial initiatives**. **Monetary** contributions were the main form of contribution (**90%**), followed by **in-kind** contributions (**9%**) and **time** contributions (**1%**). **Time**

contributions, equivalent to **€ 261 thousand**, correspond to **EDP volunteer work initiatives** carried out during **working hours**.

Investment in **Education** was primarily directed at skills development projects, access to education for disadvantaged people, support for entrepreneurship and job creation. The investment in **Health** was directed at supporting health institutions and health professionals (equipment, support for health research, among others) and the investment in **Emergency Response** was made in projects that required a rapid and coordinated response (for example, support for the Ukrainian population, alleviating the consequences of the military conflict with Russia). Investment in **Economic Development** gave priority to energy access projects for communities without access to the electricity grid, with the A2E Fund standing out. Projects for social inclusion and the fight against energy poverty contributed to the investment in **Social Welfare**. Voluntary investment in the **environment** was carried out through projects to promote biodiversity, decarbonisation and climate change awareness-raising. In turn, the investment in **Art and Culture** gave priority to projects providing access to art and culture, and those preserving and promoting cultural heritage.

NATURE OF THE CONTRIBUTION (B4SI)	VOLUNTARY CONTRIBUTIONS (k€)	%
Education	2,478	12
Health	107	1
Economic development	1,033	5
Environment	2,414	12
Art and culture	5,625	28
Social welfare	6,104	31
Emergency response	787	4
Other	1,310	7
TOTAL	19,857	100
Management costs	11,376	-
TOTAL WITH MANAGEMENT COSTS	31,233	-

3.6.3.5.3. Mandatory contributions

In addition to voluntary contributions, EDP also invests in the communities in which it operates through **mandatory contributions**. These types of contributions correspond to support for projects arising from offsets, commercial/legal levies or compensatory measures. In 2022, the compulsory investment in the communities of the EDP group was **€ 397 million** (1.3% of total investment in the community) supporting **4 entities**.

Although with less weight than voluntary contributions and not recognised by the B4SI methodology as social investment, these contributions promote the sustainable development of the communities where EDP operates and, at the same time, are an important instrument to obtain the social license to operate in territories where new EDP infrastructure is to be built or new markets are to be entered.

3.6.3.5.4. Contribution to the SDGs

In addition to contributions through its operations/business, the EDP group also contributes to the **Sustainable Development Goals (SDGs)** through its social investment programmes, prioritising goals **5, 7, 8, 9, 11, 12, 13, 15** and **17**, in accordance with the Social Investment Policy. EDP reports its contribution to the SDGs not only at the level of the SDG objectives and targets, but also at the level of the **indicators** set by the United Nations.

In 2022, of all the voluntary contributions recognised by the B4SI methodology, EDP supported projects that contributed to the SDGs with an investment of **€ 15 million** (48% of total voluntary contributions) supporting projects of **512 entities**, resulting in **1.7 million direct beneficiaries**. In turn, through mandatory contributions, EDP supported projects that contributed to SDGswith an investment of **€ 346 million** (87% of total mandatory contributions).

For more information on the voluntary and mandatory social investment projects developed and supported by the EDP group, as well as the methodology used by EDP for their compliance with the SDGs, see the [EDP group Social Investment Report](#).

CONTRIBUTION OF SOCIAL INVESTMENT TO THE SDGS	VOLUNTARY CONTRIBUTIONS (k€)	%	OBLIGATORY CONTRIBUTIONS (k€)	%
SDG 5: Gender equality	130	0.4	-	-
SDG7: Renewable and affordable energy	1,429	4.6	-	-
SDG 8: Decent work and economic growth	2,181	6.9	-	-
SDG 9: Industry, innovation and infrastructure	616	1.9	-	-
SDG 11: Sustainable cities and communities	6,933	22.2	346	87
SDG 12: Sustainable production and consumption	195	0.6	-	-
SDG 13: Climate Action	369	1.2	-	-
SDG 15: Protecting terrestrial life	308	1.0	-	-
SDG 17: Partnerships for the implementation of the objectives	246	0.8	-	-
SDG 4 ¹ : Quality education	852	2.7	-	-
SDG 10 ¹ : Reducing inequality	1,753	5.6	-	-
TOTAL SDG	15,013	48	346	87
TOTAL SOCIAL INVESTMENT	31,233	100	397	100

¹nonpriority SDGs for EDP

3.6.3.5.5. Volunteer work strategy

EDP Volunteer Work is a fundamental pillar of the company's relationship with communities and, at the same time, contributes to the development of employees, expanding the purpose and meaning of their activity. The Volunteering Programme's areas of intervention are aligned with the EDP group's Social Investment Policy and focus on social inclusion, empowerment, energy inclusion, biodiversity and climate action. Over the years, the Volunteer Programme has attracted a growing number of participants, in particular because it allows the allocation of hours to the various initiatives to be reconciled with working hours, reinforcing the important role of volunteering for the EDP group. The aim is to achieve a 30% share of the EDP group's Headcount (HC) by 2023.

In all the different actions and projects promoted throughout 2022, **3,626 volunteer employees participated (27% of the company's HC)**, contributing **10,551 hours during working hours and 2,699 hours outside working hours**. Given the inclusive nature of the

Volunteering Programme, **283 EDP Friend volunteers** (company retirees, friends, family and partners) were also involved, contributing **618 volunteer hours**. In total, in 2022, the EDP group Volunteering Work Programme involved **3,909 volunteers**, making a total of **13,868 volunteer hours**.

In 2022, the main focus of the Volunteering Programme was to provide an effective response to the main challenges identified in the volunteering strategy defined for 2022–2025, in particular communication, awareness raising and the involvement of leaderships on the subject of volunteering, as well as working on new ways to recognise and involve more volunteers in its mission.

Additionally, in 2022, the Programme sought to stimulate more volunteering actions for skills related to energy, given the relevance of this type of volunteering that places the individual talents and skills of employees at the service of the community, having the potential to produce greater and longer-lasting social impact. There has been a clear commitment to this type of volunteering, and in 2023 it is intended to strengthen this component further, particularly with projects that contribute to fair energy transition. In 2022, worthy of mention was the **2,556 hours in skills-based volunteering projects** (19% of total volunteer hours) carried out by EDP employees, of which **2,439 hours took place during working hours**.

Over the last few years, the EDP group has also sought to provide an integrated and expeditious response to emergency situations that ravage the world we live in and affect people and communities, acting in partnership with organisations on the ground. In light of the armed conflict in Ukraine, which began in 2022, the EDP group sought to provide a rapid response, but always in alignment with local partners, which allowed real needs to be identified, promoting various initiatives on a global level that include the involvement of volunteers, who play a fundamental role in this response.

VOLUNTEERING	UN	2022	2021	2020	2019
Unique EDP volunteers	#	3,626	3,681	2,482	2,833
Employees involved in voluntary actions	%	27	30	19	24
EDP volunteer work hours – working hours	h	10,551	11,307	14,457	23,258
Hours of skills based volunteering – working hours	h	2,556	3,316	9,133	8,907

3.6.3.5.6. EDP Y.E.S

In 2022, the **EDP Y.E.S – You Empower Society** – brand was created in order to make the general public aware of the various social investment projects supported by EDP in the countries where it operates, ensuring an integrated narrative for the EDP group's social investment. According to the nature of the projects, they are classified into five main pillars:

	<p>YES to ENERGY – projects in the field of access to energy and energy saving, contributing to improving the living conditions of people and communities in situations of energy exclusion or with difficulties in maintaining thermal comfort in their homes. Support for projects that promote knowledge about energy saving, security with electricity grids and innovation in the field of renewable energies</p>
	<p>YES to PLANET – awareness/education projects within the scope of biodiversity and the circular economy, projects for the recovery and enhancement of species and ecosystems or projects promoting knowledge about the consequences of climate change and the role of renewable energies in its mitigation</p>
	<p>YES to CULTURE – projects promoting access to art and culture, through their own productions or institutional partnerships – support for cultural projects, exhibitions, music, dance, publications, museums. Also noteworthy are the projects that contribute to the preservation of the material and immaterial cultural heritage of the communities, valuing their cultural identity;</p>
	<p>YES to SKILLS – projects to develop professional skills and train young people and adults in order to promote their employability or contribute to strengthening the management skills of third sector organisations. It also includes support for entrepreneurship initiatives that create jobs in EDP's area of influence;</p>
	<p>YES to COMMUNITY – this pillar includes projects that promote proximity to local communities, living conditions and health, contributing to the social inclusion of people in vulnerable situations, and also responding to emergency situations;</p>

As part of this new brand, the [EDP Y.E.S. website](#) where it is possible to find information on projects supported by EDP around the world, articles related to Y.E.S pillars and also a dedicated form where entities can submit requests for EDP support for social investment projects.



A2E Fund| Koolboks

“Man wey naked no dey put hand for pocket” is a saying in Nigerian pidgin, a Creole language based on English and spoken as a lingua franca throughout Nigeria. Loosely translated, the expression means something like “You can’t do anything without certain conditions.” The motto for the launch of *Fundo A2E* (A2E Fund) as financial support for one of the projects selected in the third edition, *Koolboks*, a sustainable model for the financing of off-grid solar refrigerators for women fish traders.

The typical fish trader at the market in Ijora, Nigeria, loses 30% of their merchandise every day due to the lack of reliable and affordable refrigeration. Because the power grid is unreliable, traders complement it with diesel generators, which are environmentally harmful and expensive, and they need to spend around \$4 on fuel every two days to run the generator. Solar refrigeration is a potential solution which would guarantee the fish traders access to continuous refrigeration; however, initial costs are prohibitive. *Koolboks* technology creates ice compartments in the refrigerator cabinets so that during the day, when the sun is out, ice is made in the compartments. At night, the energy inside transfers to the ice, maintaining the temperature within the cabinet until the next day, when the sun comes out again. Thanks to this technology, the cost of having a solar refrigerator off the grid has dropped by about 40%. This solution is capable of generating continuous cooling for up to four days, even in the absence of power and with limited sunlight. Alhaja Boluwatife is a 53-year-old woman owner of a restaurant business inherited from her mother. With 20 years of experience, she was initially sceptical about the efficiency of a solar refrigerator: “Let me see how it works with my friend, Alhaja Aderinoye. I just bought a Honda

generator for 550,000 nairas, but the fuel consumption is 5,000 nairas a day. This lasted from 6am until 3pm”. Two weeks later, with a positive review from her friend, Alhaja Boluwatife bought a 538 Litre Out. In addition to conserving fresh fish and selling cold drinks, the trader could now also sell ice, getting an extra income.

In 2022, *Fundo A2E* supported the setting up of this project with 66.000 euros to supply solar refrigerators with 15 kWp of installed power, which impacted 144 direct beneficiaries, 150 indirect, and created 22 new jobs. It was also put to bet the recruitment and training of sales agents to support new business as well as capacity-building, training for equipment maintenance, certification and partnership with more than 60 direct sales agents and installers.

Our drive



Our Indicators

Operational and ESG indicators	167
GRI indicators	193



4.1. Operational and ESG indicators

DECARBONISING THE WORLD	UN	2022	2021	2020	2019
RENEWABLE ENERGIES					
TOTAL INSTALLED CAPACITY	MW	26,187	24,495	23,524	26,525
Renewable installed capacity	%	79	80	79	74
Renewable installed capacity	MW	20,739	19,617	18,626	19,597
Wind	MW	12,136	11,845	11,155	10,667
Portugal	MW	1,156	1,138	1,224	1,160
Spain	MW	2,158	2,194	2,137	1,974
South America	MW	910	591	436	467
North America	MW	6,175	6,079	6,005	7,066
Rest of the Europe	MW	1,737	1,843	1,353	0
APAC	MW	0	0	0	0
Hydro	MW	6,872	7,070	7,069	8,728
Portugal	MW	5,019	5,019	5,019	6,702
Spain	MW	451	451	451	426
South America	MW	1,401	1,599	1,599	1,599
North America	MW	0	0	0	0
Rest of the Europe	MW	0	0	0	0
APAC	MW	0	0	0	0
Mini-hydro	MW	57	57	57	57
Portugal	MW	57	57	57	57
Spain	MW	0	0	0	0
South America	MW	0	0	0	0
North America	MW	0	0	0	0
Rest of the Europe	MW	0	0	0	0
APAC	MW	0	0	0	0
Solar	MW	1,674	645	345	145
Portugal	MW	116	5	5	5
Spain	MW	20	0	0	0
South America	MW	260	204	0	0
North America	MW	475	358	290	90
Rest of the Europe	MW	92	50	50	50
APAC	MW	711	28	0	0

DECARBONISING THE WORLD	UN	2022	2021	2020	2019
Non-renewable installed capacity	MW	5,449	4,879	4,898	6,928
CCGT	MW	2,886	2,886	2,886	3,729
Portugal	MW	2,031	2,031	2,031	2,031
Spain	MW	854	854	854	1,698
South America	MW	0	0	0	0
North America	MW	0	0	0	0
Rest of the Europe	MW	0	0	0	0
APAC	MW	0	0	0	0
Coal	MW	2,540	1,970	1,970	3,150
Portugal	MW	0	0	0	1,180
Spain	MW	1,820	1,250	1,250	1,250
South America	MW	720	720	720	720
North America	MW	0	0	0	0
Rest of the Europe	MW	0	0	0	0
APAC	MW	0	0	0	0
Cogeneration and waste	MW	23	23	42	49
Portugal	MW	17	17	17	24
Spain	MW	5	5	25	25
South America	MW	0	0	0	0
North America	MW	0	0	0	0
Rest of the Europe	MW	0	0	0	0
APAC	MW	0	0	0	0
Capacity under construction	MW	3,552	1,824	2,051	664
Portugal	MW	192	0	135	6
Spain	MW	132	141	85	18
South America	MW	504	1,084	359	0
North America	MW	2,075	320	970	509
Rest of the Europe	MW	523	280	502	130
APAC	MW	126	0	0	0
Installed capacity MEP	MW	1,665	1,651	1,229	1,111
Portugal	MW	31	31	30	0
Spain	MW	165	165	177	161
South America	MW	551	551	551	551
North America	MW	592	592	471	398
Rest of the Europe	MW	311	311	0	0
APAC	MW	15	0	0	0
Capacity under construction MEP	MW	431	78	389	408
Portugal	MW	0	0	0	14
Spain	MW	0	0	0	0
South America	MW	0	78	78	78
North America	MW	0	0	0	0
Rest of the Europe	MW	431	0	311	316
APAC	MW	0	0	0	0

DECARBONISING THE WORLD	UN	2022	2021	2020	2019
TOTAL NET GENERATION	GWh	61,351	59,784	63,122	65,446
Generation from renewable sources	%	74	76	75	67
Generation from renewable sources	GWh	45,329	45,608	47,330	44,137
Wind	GWh	31,772	29,592	28,272	29,768
Portugal	GWh	2,707	3,041	2,616	3,151
Spain	GWh	4,885	4,979	4,346	5,298
South America	GWh	2,189	1,843	1,093	1,757
North America	GWh	17,883	16,468	17,231	16,297
Rest of the Europe	GWh	4,107	3,262	2,987	3,264
APAC	GWh	0	0	0	0
Hydro	GWh	11,677	15,152	18,656	13,958
Portugal	GWh	5,487	8,901	12,435	8,949
Spain	GWh	459	772	677	880
South America	GWh	5,731	5,478	5,543	4,129
North America	GWh	0	0	0	0
Rest of the Europe	GWh	0	0	0	0
APAC	GWh	0	0	0	0
Mini-hydro	GWh	98	131	137	138
Portugal	GWh	98	131	137	138
Spain	GWh	0	0	0	0
South America	GWh	0	0	0	0
North America	GWh	0	0	0	0
Rest of the Europe	GWh	0	0	0	0
APAC	GWh	0	0	0	0
Solar	GWh	1,782	733	265	273
Portugal	GWh	91	9	8	8
Spain	GWh	5	0	0	0
South America	GWh	500	45	0	0
North America	GWh	479	589	190	195
Rest of the Europe	GWh	72	67	67	69
APAC	GWh	636	23	0	0
Generation from non-renewable sources	GWh	16,021	14,176	15,792	21,310
CCGT	GWh	9,033	6,435	9,759	10,183
Portugal	GWh	5,161	3,836	5,653	5,837
Spain	GWh	3,872	2,599	4,107	4,346
South America	GWh	0	0	0	0
North America	GWh	0	0	0	0
Rest of the Europe	GWh	0	0	0	0
APAC	GWh	0	0	0	0

DECARBONISING THE WORLD	UN	2022	2021	2020	2019
Coal	GWh	6,830	7,569	5,821	10,856
Portugal	GWh	0	0	1,832	4,020
Spain	GWh	6,826	4,152	2,403	3,129
South America	GWh	4	3,417	1,586	3,707
North America	GWh	0	0	0	0
Rest of the Europe	GWh	0	0	0	0
APAC	GWh	0	0	0	0
Cogeneration and Waste	GWh	158	173	211	270
Portugal	GWh	141	125	138	163
Spain	GWh	17	48	73	107
South America	GWh	0	0	0	0
North America	GWh	0	0	0	0
Rest of the Europe	GWh	0	0	0	0
APAC	GWh	0	0	0	0
Heat	GWh	279	382	556	785
Portugal	GWh	247	249	254	303
Spain	GWh	33	133	302	482
South America	GWh	0	0	0	0
North America	GWh	0	0	0	0
Rest of the Europe	GWh	0	0	0	0
APAC	GWh	0	0	0	0
Avoided CO₂ emissions¹	ktCO₂	22,749	23,752	25,167	24,725
TECHNICAL AVAILABILITY					
Wind and Solar	%	95	97	97	97
Portugal	%	99	98	98	98
Spain	%	96	96	95	97
South America	%	97	98	98	97
North America	%	93	96	96	96
Rest of the Europe	%	96	98	98	98
APAC	%	n.a.	0	0	0
Hydro	%	89	91	93	91
Portugal	%	89	91	93	91
Spain	%	99	100	100	100
Brazil	%	97	98	95	98
Thermal	%	74	81	95	94
Portugal	%	74	81	95	94
CCGT	%	73	81	94	96
Coal	%	0	0	96	90
Cogeneration	%	97	91	94	100

DECARBONISING THE WORLD	UN	2022	2021	2020	2019
Spain	%	74	79	93	96
CCGT	%	91	89	94	96
Coal	%	64	72	91	97
Nuclear	%	90	86	91	89
Cogeneration	%	83	99	99	100
Waste	%	n.d.	n.d.	94	87
Brazil	%	97	94	92	97
Coal	%	97	94	92	97
SUSTAINABLE MOBILITY					
Fleet electrification	%	14.6	13.2	11.0	9.0
Fleet electric vehicles	#	516	501	393	283
Electric charging points	#	6,010	3,804	1,811	772
Customers with electric mobility solutions	#	76,455	43,500	18,747	10,100
ENERGY EFFICIENCY					
Internal Energy Efficiency					
Thermal Efficiency	%	46.7	45.9	45.5	45.9
Coal plants	%	34.8	34.1	34.5	35.6
Natural gas combined cycle plant	%	54.2	53.9	54.4	54.4
Energy Intensity	MJ/€	7.0	9.2	11.4	13.8
Electricity Distribution Grid Losses					
Technical losses	%	5.3	5.4	5.7	5.6
Total losses	%	8.2	8.2	9.3	8.9
Portugal ²	%	8.3	8.4	9.6	9.8
Spain	%	4.8	4.4	3.7	3.5
Brazil	%	9.5	10.0	10.4	9.8
External Energy Efficiency					
Savings in energy efficiency services ³	TWh	5.6	5.1	4.6	4.0
CO ₂ avoided emissions in the final customer ³	ktCO ₂	11,901	8,950	8,531	7,619
Energy consumed outside the organization ⁴	TJ	262,414	244,462	350,433	290,331
NEW ENERGY SERVICES					
Energy efficiency services revenues	000€	491,013	261,415	244,573	158,376

¹The total net generation includes steam.

²Calculation methodology of Scope 2 was revised to avoid emissions duplication with scope 1.

³In 2021, the loss indicator was changed to consider the energy input in the grid, and not the output (as until 2020), according to the expectation that the regulator will incorporate this change in the next regulatory period, to align with common practice in other countries (namely Spain and Brazil).

⁴Reviewed and harmonized methodology for all geographies, applied since 2015. Excludes Consumption Efficiency Promotion Plan (PPEC) projects. The 2017 values have been revised for consistency with the harmonized savings calculation method.

⁵Consider only the category "Use of sold products" of GHG Protocol Corporate Value Chain (Scope 3).

CUSTOMER EXPERIENCE	UN	2022	2021	2020	2019
CUSTOMERS					
Number of electricity customers	000	8,495	8,654	8,615	9,828
Regulated market	000	4,558	4,609	4,565	4,786
Portugal	000	973	930	965	1,055
Spain	000	0	0	0	228
South America	000	3,586	3,679	3,600	3,489
Liberalised market	000	3,936	4,045	4,050	5,042
Portugal	000	3,916	4,022	4,033	4,112
Market Share EDP - Liberalised Market	%	n.d.	74	76	n.d.
Spain	000	20	22	22	930
South America	000	1	1	0	0
Gas	000	631	686	691	1,599
Regulated market	000	77	32	34	89
Portugal	000	77	32	34	38
Spain	000	0	0	0	52
Liberalised market	000	554	654	657	1,510
Portugal	000	551	650	652	659
Spain	000	4	4	6	849
Overall customers satisfaction	%	80.3	77.2	79.2	77.4
Portugal	%	85.8	81.4	79.3	78.3
Spain	%	n.a.	n.a.	n.a.	78.9
South America	%	73.7	63.8	79.6	76.3
Customers by type of use					
Electricity customers					
Domestic	%	88	86	88	87
Industrial	%	1	1	1	1
Commercial	%	9	8	8	8
Agriculture	%	1	3	3	3
Other	%	2	1	1	1
Gas customers					
Domestic	%	94	95	97	97
Industrial	%	0	1	0	0
Commercial	%	1	2	1	1
Agriculture	%	0	0	0	0
Other	%	4	3	1	1
Customers with social tariff	#	1,011,628	935,772	763,831	818,922
Electricity	#	992,662	913,609	749,413	803,025
Portugal	#	528,985	553,304	555,361	587,997
Spain	#	n.a.	n.a.	n.a.	51,132
South America	#	463,677	360,305	194,052	163,896
Gas	#	18,966	22,163	14,418	15,897
Portugal	#	18,966	22,163	14,418	15,897

CUSTOMER EXPERIENCE	UN	2022	2021	2020	2019
Priority customers ¹	#	3,865	3,022	3,711	3,077
Electricity	#	3,865	3,022	3,711	3,077
Portugal	#	2,979	2,527	3,329	3,077
Spain	#	n.a.	n.a.	n.a.	n.a.
South America	#	886	495	382	n.a.
Special needs customers ²	#	1,288	772	1,049	1,040
Electricity	#	1,288	772	1,049	1,040
Portugal ⁴	#	404	287	257	265
Spain	#	n.a.	n.a.	n.a.	n.a.
South America	#	884	485	792	775
Green tariff	#				
Electricity	#	4,691	6,115	4,760	4,320
Portugal	#	1,994	1,101	799	168
Spain	#	2,697	5,014	3,962	4,152
South America	#	n.d.	n.d.	n.d.	n.d.
Customer Ombudsperson					
Ombudsman's answer orientation					
Concordant	%	42	46	47	35
Discordant	%	32	29	18	27
Partial concordant	%	6	5	15	8
Resolved issues	%	20	20	20	31
E-voicing					
Portugal	%	48	47	44	39
Spain	%	77	48	21	47
South America	%	27	27	26	23
Fines paid for failure in supply and use of products and services	000€	7,912	5,365	4,113	4,466
ELECTRICITY SUPPLIED	GWh	65,895	59,750	69,478	56,649
Portugal	GWh	20,641	19,999	19,508	15,152
Last Resort	GWh	2,817	2,343	2,413	1,965
Liberalised Market	GWh	17,824	17,656	17,095	13,187
Market Share EDP - Liberalised Market	%	n.d.	43	41	n.d.
Spain	GWh	12,244	10,959	10,702	9,358
Last Resort	GWh	0	0	350	332
Liberalised Market	GWh	12,244	10,959	10,352	9,025
Market Share EDP - Liberalised Market	%	6	4	6	7
Brazil	GWh	33,010	28,792	39,269	32,140
Last Resort	GWh	13,754	13,587	13,429	19,112
Liberalized Market	GWh	19,256	15,205	25,840	13,028
Social Tariff	GWh	938	1,415	545	489
Portugal	GWh	132	150	159	199
Spain	GWh	0	0	90	80
Brazil	GWh	807	1,264	296	211

CUSTOMER EXPERIENCE	UN	2022	2021	2020	2019
Green Tariff	GWh	4,691	6,115	4,760	4,320
Portugal	GWh	1,994	1,101	799	168
Spain	GWh	2,697	5,014	3,962	4,152
Brazil	GWh	n.d.	n.d.	n.d.	n.d.
GAS SUPPLIED	GWh	10,364	14,309	17,070	13,068
Portugal	GWh	3,713	4,390	4,294	2,858
Last Resort	GWh	195	155	167	154
Liberalised Market	GWh	3,518	4,235	4,127	2,704
Market Share EDP - Liberalised Market	%	n.d.	11	11	n.d.
Spain	GWh	6,651	9,920	12,776	10,210
Last Resort	GWh	0	0	195	172
Liberalised Market	GWh	6,651	9,920	12,581	10,038
Market Share EDP - Liberalised Market	%	3	6	3	3
DISTRIBUTION					
Electricity distributed		85,272	84,885	76,360	79,519
Portugal	GWh	45,494	44,752	44,143	45,666
Spain	GWh	13,286	14,117	7,559	8,262
Brazil	GWh	26,491	26,016	24,658	25,591
Electricity supply points		11,583	11,427	11,274	10,470
Portugal	GWh	6,425	6,370	6,302	6,277
Spain	GWh	1,383	1,376	1,371	668
Brazil	GWh	3,775	3,680	3,601	3,524
Grid extension	Km	380,788	378,155	375,777	340,744
Portugal	Km	232,089	230,676	229,168	226,823
Overhead lines	Km	181,907	180,951	179,867	177,841
Underground lines	Km	50,182	49,725	49,301	48,981
Spain	Km	52,644	52,493	52,492	20,766
Overhead lines	Km	39,571	39,553	39,670	15,729
Underground lines	Km	13,073	12,940	12,822	5,037
Brazil	Km	96,055	94,986	94,118	93,155
Overhead lines	Km	95,771	94,708	93,850	92,899
Underground lines	Km	283	277	268	256
Service Quality					
Portugal					
Installed capacity equivalent interruption time ³	Min	54	50	60	56
Spain					
Installed capacity equivalent interruption time ⁶	Min	18	20	15	26
South America					
Average interruption duration per consumer					
EDP São Paulo	hours	6.07	6.35	7.18	7.06
EDP Espírito Santo	hours	6.87	7.56	7.85	8.19
Frequency of interruptions per consumer					
EDP São Paulo	#	3.27	4.13	4.62	4.53
EDP Espírito Santo	#	3.25	3.92	4.01	4.84

CUSTOMER EXPERIENCE	UN	2022	2021	2020	2019
SERVICE RECONNECTION					
Electricity supply reconnection after payment of debt by customer					
Portugal ⁴	#	168,496	62,935	186,139	292,142
< 4h (urgent)	#	34,215	16,281	47,806	63,236
< 8h (other clients)	#	617	476	630	819
< 12h (clients NVL)	#	133,664	46,178	137,703	228,087
Spain ⁵	#	3,308	16,674	3,533	9,209
≤ 24 hours	#	3,127	16,561	3,509	4,974
> 24 hours	#	181	113	24	4,235
South America	#	273,975	175,463	180,257	453,237
< 24h	#	244,707	114,129	157,022	404,344
< 1 week	#	28,270	37,585	21,507	43,731
> 1 week	#	998	23,749	1,728	5,162
TRANSMISSION					
Grid extension		2,535	1,414	1,441	1,441
Grid extension in operation	GWh	2,185	162	316	113
Grid extension under construction	GWh	350	1,252	1,125	1,328

¹ Customers whose survival depends on equipment or customers that provide essential health or safety services to the community (in accordance with Article 103 of the Regulation on Service Quality in the Electricity and Natural Gas sector).

² Customers with limitations in the field of vision (total blindness or hypovision), in the field of hearing (total deafness or hearing loss) and in the field of oral communication (in accordance with Article 100 of the Regulation on Service Quality in the Electric and Natural Gas sector).

³ TIEPI in the MT network, excludes extraordinary events.

⁴ The values consider service reconnections within the deadlines defined by the regulator, representing 99% of the total reestablishments.

⁵ The time intervals considered are related to the time that elapses from the interruption of the service due to non-payment by the customer, until the restoration of the same. The values consider service reconnections within the deadlines defined by the regulator.

ETHICS AND COMPLIANCE	UN	2022	2021	2020	2019
CLAIMS					
Total claims ¹	#	427	344	464	588
Claims before the Ethics Commission ²	#	321	146	147	150
Client	#	22	10	8	7
Citizen	#	15	20	22	16
Employee	#	153	33	27	25
Supplier	#	26	9	8	2
Anonymous	#	105	74	82	100
Claims by category					
Fairness of solutions	#	n.a.	n.a.	19	7
Neglect or disrespect	#	n.a.	n.a.	103	111
Transparency	#	n.a.	n.a.	0	10
Use of information or assets	#	n.a.	n.a.	8	10
Environment and responsibility towards society	#	n.a.	n.a.	0	1

ETHICS AND COMPLIANCE	UN	2022	2021	2020	2019
Fraud, corruption and bribery	#	n.a.	n.a.	17	11
Employee well-being	#	140	46	n.a.	n.a.
Health and Safety	#	19	6	n.a.	n.a.
Company representation	#	0	0	n.a.	n.a.
Diversity and inclusion	#	7	4	n.a.	n.a.
Harassment ³	#	47	24	n.a.	n.a.
Human Rights	#	0	2	n.a.	n.a.
Relationship with shareholders	#	0	0	n.a.	n.a.
Relationship with customers	#	2	4	n.a.	n.a.
Relationship with suppliers	#	3	3	n.a.	n.a.
Relationship with communities	#	1	3	n.a.	n.a.
Competition	#	0	1	n.a.	n.a.
Environment	#	0	1	n.a.	n.a.
Energy transition	#	0	0	n.a.	n.a.
Digital revolution	#	0	0	n.a.	n.a.
Entrepreneurship and cooperation	#	0	0	n.a.	n.a.
Personal data protection and privacy ³	#	5	0	n.a.	n.a.
Use of company information	#	34	18	n.a.	n.a.
Conflict of interests	#	32	17	n.a.	n.a.
Corruption and bribery	#	20	12	n.a.	n.a.
Money laundering and countering the financing of terrorism	#	0	1	n.a.	n.a.
Use of assets	#	8	4	n.a.	n.a.
Gifts and entertainment	#	0	0	n.a.	n.a.
Manipulation in financial statements and/or management reports	#	3	0	n.a.	n.a.
Other	#	1	0	n.a.	n.a.
Actions deliberated/determined by the Ethics Commission	#	38	52	39	58
Revisions/improvements of procedures	#	1	26	14	40
Compensation of damages	#	0	1	0	2
Disciplinary action	#	16	13	25	16
Training	#	0	12	0	0
Other	#	21	0	0	0

¹Entries registered in the complaint channels Ethics of EDP Group.

²The remaining complaints were dealt with expeditiously with the Business Units involved.

³One of the complaints has two inherent categories, "harassment" and "personal data protection and privacy", which justifies the fact that there is one more category (322) when compared to the total of complaints entered (321).

COMMUNICATION AND TRANSPARENCY	UN	2022	2021	2020	2019
Current tax	000€	374,432	191,433	139,751	145,858
Support from public authorities	000€	58,389	63,211	42,767	103,105

TRANSFORMING OUR BUSINESS	UN	2022	2021	2020	2019
DIGITAL TRANSFORMATION					
Smart meters¹					
Portugal	#	4,593,940	3,983,104	3,208,209	2,578,167
Spain	#	1,373,145	1,372,720	1,368,843	666,478
South America	#	462,261	332,980	25,745	16,000
Clients with RE:DY	#	56,974	27,350	13,143	13,097
Number of meetings per videoconference					
Number of meetings	#	278	287	409	409
Use of the videoconference service	h/year	7,313	7,506	17,812	123,919
Robotisation¹					
Number of robotised activities	#	1,610	1,686	1,132	845
Robotised hours/year	h/year	647,913	1,310,813	927,568	658,323
Minimum viable products	#	350	286	192	92
INNOVATION AND RESEARCH					
Investment in RDI	000€	186,004	102,794	110,936	162,040
Investment in RDI/Turnover	%	0.90	0.69	0.89	1.13
Number of employees in RDI	#	591	321	212	158

¹ Amounts presented in accumulated.

PEOPLE EXPERIENCE	UN	2022	2021	2020	2019
EMPLOYEES					
	#	13,211	12,236	12,180	11,660
Female	%	27.5	26.7	25.2	25.0
Male	%	72.1	73.3	74.8	75.0
Not declared	%	0.4	n.d.	n.d.	n.d.
EMPLOYEES DISTRIBUTION BY PROFESSIONAL CATEGORY					
EBD					
	#	5	5	9	9
Female	#	2	2	2	2
Male	#	3	3	7	7
Not declared	#	0	n.d.	n.d.	n.d.
Senior Management					
	#	386	962	861	827
Female	#	104	265	215	199
Male	#	281	697	646	628
Not declared	#	1	n.d.	n.d.	n.d.
Supervisors					
	#	1,323	865	777	783
Female	#	380	218	188	199
Male	#	939	647	589	584
Not declared	#	4	n.d.	n.d.	n.d.

PEOPLE EXPERIENCE	UN	2022	2021	2020	2019
Specialists	#	6,469	5,276	4,717	4,528
Female	#	2417	2010	1773	1649
Male	#	4027	3266	2944	2879
Not declared	#	25	n.d.	n.d.	n.d.
Technicians	#	5,028	5,128	5,246	5,513
Female	#	728	767	790	876
Male	#	4277	4361	4456	4637
Not declared	#	23	n.d.	n.d.	n.d.
EMPLOYEES DISTRIBUTION BY AGE GROUP					
≥ 50	#	2,910	2,971	3,117	3,445
Female	#	646	649	652	683
Male	#	2,261	2,322	2,465	2,762
Not declared	#	3	n.d.	n.d.	n.d.
[30–50[	#	7,973	7,213	6,556	6,324
Female	#	2,239	1,973	1,750	1,709
Male	#	5,712	5,240	4,806	4,615
Not declared	#	22	n.d.	n.d.	n.d.
< 30	#	2,328	2,052	1,937	1,891
Female	#	746	640	566	533
Male	#	1,554	1,412	1,371	1,358
Not declared	#	28	n.d.	n.d.	n.d.
PERCENTUAL DISTRIBUTION OF EMPLOYEES					
Age group					
≥50	%	22	24	27	30
[30–50[	%	60	59	56	54
<30	%	18	17	17	16
Geography					
Portugal	%	43	47	50	50
Spain	%	16	17	13	15
South America	%	25	26	28	27
North America	%	8	7	7	6
Rest of the Europe	%	4	3	2	2
APAC	%	4	0	0	n.a.
Employees with special needs	%	1.45	1.46	1.20	1.40
FEMALE EMPLOYEES IN MANAGEMENT POSITIONS					
In the total workforce	%	28.4	26.5	24.6	24.7
In EBD and Senior Management positions	%	27.1	27.6	23.5	22.1
In Supervisory positions	%	28.7	25.2	24.2	25.4
In revenue-generating positions	%	16.7	15.8	14.5	16.2
In STEM positions ²	%	33.3	31.1	32.7	32.2

PEOPLE EXPERIENCE	UN	2022	2021	2020	2019
ELIGIBLE EMPLOYEES FOR RETIREMENT					
EBD					
next to 5 years	#	0	0	3	3
next to 10 years	#	0	0	5	5
Senior Management					
next to 5 years	#	32	85	88	104
next to 10 years	#	47	146	162	165
Supervisors					
next to 5 years	#	84	39	42	53
next to 10 years	#	114	90	84	91
Specialists					
next to 5 years	#	298	292	326	322
next to 10 years	#	478	476	518	526
Technicians					
next to 5 years	#	812	967	1,188	1,370
next to 10 years	#	992	1,258	1,450	1,713
RATIO EDP MINIMUM WAGE/NATIONAL MINIMUM WAGE					
Portugal	x	1.47	1.79	1.84	1.75
Spain	x	1.55	1.17	1.19	1.24
South America	x	1.49	1.09	1.15	1.41
North America	x	1.39	2.21	2.21	2.07
Rest of the Europe	x	1.37	0.00	0.00	n.d.
APAC	x	1.01	n.a.	n.a.	n.a.
TYPES OF ENTRIES					
New entries	#	2,064	1,599	1,282	1,255
Gender					
Male	#	1,216	1,047	885	897
Female	#	642	552	397	358
Not declared	#	206	n.d.	n.d.	n.d.
Age Group					
<30	#	854	749	598	636
[30-50[	#	1,069	777	633	568
≥50	#	141	73	51	51
Professional category					
Technicians	#	596	443	403	n.d.
Specialists	#	1,327	1,104	809	n.d.
Supervisors	#	91	18	30	n.d.
Senior Management	#	50	34	40	n.d.

PEOPLE EXPERIENCE	UN	2022	2021	2020	2019
Geography					
Portugal	#	521	471	432	415
Spain	#	272	229	185	150
South America	#	595	434	366	466
North America	#	381	316	229	176
Rest of the Europe	#	161	137	84	80
APAC	#	134	12	0	0
Employees with special needs (new entries)	#	18	25	0	3
Vacancies filled by internal candidates	#	809	947	1,186	n.d.
Gender					
Male	#	555	690	850	n.d.
Female	#	254	257	336	n.d.
Not declared	#	0	n.d.	n.d.	n.d.
Age Group					
<30	#	286	130	159	n.d.
[30-50[	#	444	564	625	n.d.
≥50	#	79	253	402	n.d.
Professional category					
Technicians	#	123	341	413	n.d.
Specialists	#	566	381	472	n.d.
Supervisors	#	65	115	149	n.d.
Senior Management	#	55	110	152	n.d.
Geography					
Portugal	#	382	280	973	n.d.
Spain	#	74	329	77	n.d.
South America	#	281	168	100	n.d.
North America	#	52	168	30	n.d.
Rest of the Europe	#	6	2	6	n.d.
APAC	#	14	0	0	0
Employees with special needs	#	9	0	0	n.d.
REASONS FOR LEAVING					
End of fixed-term contracts	%	3	2	2	2
Terminated by mutual agreement	%	1	9	4	4
Terminated by employee	%	48	34	20	26
Dismissals	%	20	24	14	18
Early retirements	%	7	21	21	39
Age/invalidity retirement	%	8	7	5	6
Other reasons for leaving	%	14	4	35	5

PEOPLE EXPERIENCE	UN	2022	2021	2020	2019
SALARY RATIO F/M BY PROFESSIONAL CATEGORY					
Technicians					
Portugal	x	1.29	1.29	1.25	1.23
Spain	x	0.92	0.87	0.83	0.80
South America	x	0.93	0.97	0.96	0.98
North America	x	0.88	1.00	1.04	1.08
Rest of the Europe	x	0.98	0.00	1.70	1.11
APAC	x	0.97	0.00	0.00	0.00
Specialists					
Portugal	x	0.89	0.93	0.92	0.94
Spain	x	0.88	0.91	0.92	0.93
South America	x	0.86	0.81	0.82	0.81
North America	x	0.96	0.97	0.93	0.92
Rest of the Europe	x	0.85	0.89	0.91	0.90
APAC	x	0.93	0.75	0.00	0.00
Supervisors					
Portugal	x	0.95	0.98	0.99	0.97
Spain	x	0.89	0.86	0.87	0.84
South America	x	0.97	1.05	1.05	1.03
North America	x	0.92	0.97	1.06	0.96
Rest of the Europe	x	0.92	0.88	1.26	1.03
APAC	x	0.96	0.00	0.00	0.00
Senior Management					
Portugal	x	1.00	0.94	0.92	0.93
Spain	x	0.91	0.82	0.85	0.83
South America	x	1.32	0.89	0.93	0.87
North America	x	1.18	0.99	0.95	1.00
Rest of the Europe	x	0.00	0.79	0.75	0.92
APAC	x	1.05	0.00	0.00	0.00
EMPLOYEES SATISFACTION					
Engagement	%	84	76	80	73
Gender					
Female	%	86	78	83	74
Male	%	83	76	79	73
Not declared	%	94	n.d.	n.d.	n.d.
Age Group					
<30	%	82	76	79	72
[30-50[	%	83	76	81	75
≥50	%	87	76	78	71

PEOPLE EXPERIENCE	UN	2022	2021	2020	2019
Professional category					
Technicians	%	82	75	78	75
Specialists	%	84	74	79	69
Supervisors	%	88	81	86	78
Senior Management	%	92	88	90	84
Geography					
Portugal	%	80	73	76	67
Spain	%	81	71	78	71
South America	%	91	84	86	86
North America	%	86	79	84	74
Rest of the Europe	%	84	73	76	64
APAC	%	81	90	0	0
Employees with special needs	%	n.d.	n.d.	74	71
Empowerment ²	%	72	76	80	71
Gender					
Female	%	73	71	75	69
Male	%	72	71	73	72
Not declared	%	87	n.d.	n.d.	n.d.
TURNOVER	%	12	13	11	11
Gender					
Female	%	11.97	13.15	11.29	10.57
Male	%	11.02	11.13	11.99	10.36
Not declared	%	24.53	n.d.	n.d.	n.d.
Age group					
< 30	%	14.40	12.72	9.86	8.46
[30-50[	%	9.80	7.85	8.76	5.55
≥ 50	%	15.31	24.10	18.19	20.75
Professional category					
Technicians	%	10.72	12.85	11.48	12.62
Specialists	%	12.78	12.24	11.89	9.43
Supervisors	%	7.94	5.78	10.94	6.26
Senior management	%	20.97	6.65	9.66	6.53
Geography					
Portugal	%	8.29	9.97	7.94	10.77
Spain	%	6.37	14.84	24.87	5.35
South America	%	14.63	14.10	8.65	10.99
North America	%	24.11	20.13	15.28	16.89
Rest of the Europe	%	10.29	9.94	36.65	16.85
APAC	%	29.57	0.00	0.00	n.a.
Employees with special needs	%	9.42	13.97	24.46	15.34

PEOPLE EXPERIENCE	UN	2022	2021	2020	2019
VOLUNTARY EMPLOYEE TURNOVER	%	5.69	4.13	2.27	2.70
Gender					
Male	%	5.57	3.94	2.70	2.40
Female	%	5.76	4.63	2.13	3.59
Not declared	%	22.64	n.d.	n.d.	n.d.
Age group					
< 30	%	9.79	8.58	4.34	6.03
[30-50[	%	6.21	4.34	2.58	2.94
≥ 50	%	1.00	0.54	0.35	0.46
Professional category					
Technicians	%	2.55	2.13	1.30	1.31
Specialists	%	8.10	6.67	3.65	4.59
Supervisors	%	4.84	2.89	1.42	2.68
Senior management	%	9.21	1.87	1.49	1.81
Geography					
Portugal	%	2.97	1.75	0.91	1.09
Spain	%	3.49	1.68	1.44	1.10
South America	%	5.38	5.73	2.92	3.26
North America	%	17.68	18.70	10.75	14.93
Rest of the Europe	%	8.82	4.54	4.38	11.79
APAC	%	19.40	n.d.	n.a.	n.a.
Employees with special needs	%	3.14	0.01	0.01	0.00
HC ROI	€	6.51	5.92	6.46	6.96
TRAINING VOLUME	h	309,936	337,296	273,873	400,504
Volume of mandatory training per employee	h	206,310	245,716	176,196	n.d.
Gender					
Male	h	167,019	201,172	133,234	n.d.
Female	h	39,292	44,544	42,962	n.d.
Age group					
< 30	h	44,339	47,126	n.d.	n.d.
[30-50[	h	119,604	152,358	n.d.	n.d.
≥ 50	h	42,367	46,232	n.d.	n.d.
Professional category					
Technicians	h	98,160	124,967	77,486	n.d.
Specialists	h	71,222	78,194	69,560	n.d.
Supervisors	h	27,229	23,556	15,417	n.d.
Senior Management	h	9,700	18,999	13,732	n.d.
Geography					
Portugal	h	119,264	120,518	117,444	n.d.
Spain	h	47,979	36,056	20,415	n.d.
South America	h	25,072	79,648	27,981	n.d.
North America	h	9,216	5,401	7,848	n.d.
Rest of the Europe	h	3,661	3,998	2,508	n.d.
APAC	h	1,120	95	n.a.	n.a.

PEOPLE EXPERIENCE	UN	2022	2021	2020	2019
Volume of non-mandatory training per employee	h	103,626	91,580	97,677	n.d.
Gender					
Male	h	74,742	64,749	73,782	n.d.
Female	h	28,884	26,831	23,896	n.d.
Age group					
< 30	h	14,934	10,395	n.d.	n.d.
[30-50[	h	70,996	64,642	n.d.	n.d.
≥ 50	h	17,696	16,543	n.d.	n.d.
Professional category					
Technicians	h	23,900	20,110	33,842	n.d.
Specialists	h	46,687	44,496	40,625	n.d.
Supervisors	h	19,318	11,314	11,383	n.d.
Senior Management	h	13,721	15,660	11,828	n.d.
Geography					
Portugal	h	21,645	28,064	27,386	n.d.
Spain	h	38,168	30,994	23,374	n.d.
South America	h	24,119	12,590	31,549	n.d.
North America	h	13,235	15,107	11,434	n.d.
Rest of the Europe	h	6,170	4,821	3,935	n.d.
APAC	h	288	4	n.a.	n.a.
DIRECT INVESTMENT WITH TRAINING BY EMPLOYEES	€/p	287	303	280	322
Investment in mandatory training per employee	€/p	1,949,792	1,635,444	1,325,491	n.d.
Gender					
Male	€/p	1,490,993	1,213,787	983,598	n.d.
Female	€/p	458,799	421,657	341,892	n.d.
Age group					
< 30	€/p	295,464	174,975	n.d.	n.d.
[30-50[	€/p	1,246,565	1,134,684	n.d.	n.d.
≥ 50	€/p	407,763	325,785	n.d.	n.d.
Professional category					
Technicians	€/p	585,649	308,374	275,175	n.d.
Specialists	€/p	719,732	650,960	493,354	n.d.
Supervisors	€/p	488,517	336,156	214,700	n.d.
Senior Management	€/p	155,894	339,954	342,261	n.d.
Geography					
Portugal	€/p	835,207	737,557	593,235	n.d.
Spain	€/p	699,026	595,895	430,401	n.d.
South America	€/p	81,110	113,752	52,692	n.d.
North America	€/p	258,554	125,667	230,805	n.d.
Rest of the Europe	€/p	36,407	62,573	18,357	n.d.
APAC	€/p	39,488	n.d.	n.d.	n.a.

PEOPLE EXPERIENCE	UN	2022	2021	2020	2019
Investment in non-mandatory training per employee	€/p	1,887,386	2,068,303	1,924,421	n.d.
Gender					
Male	€/p	1,289,407	1,383,758	1,340,749	n.d.
Female	€/p	597,978	684,545	583,672	n.d.
Age group					
< 30	€/p	275,834	231,019	n.d.	n.d.
[30-50[	€/p	1,293,843	1,519,167	n.d.	n.d.
≥ 50	€/p	317,709	318,117	n.d.	n.d.
Professional category					
Technicians	€/p	244,982	356,821	292,106	n.d.
Specialists	€/p	886,667	977,110	964,897	n.d.
Supervisors	€/p	453,859	359,099	295,390	n.d.
Senior Management	€/p	301,877	375,273	372,027	n.d.
Geography					
Portugal	€/p	413,999	593,859	709,309	n.d.
Spain	€/p	881,228	862,803	570,044	n.d.
South America	€/p	149,300	184,642	279,986	n.d.
North America	€/p	371,333	351,541	336,283	n.d.
Rest of the Europe	€/p	61,371	75,458	28,800	n.d.
APAC	€/p	10,154	n.d.	n.a.	n.a.

¹STEM Positions (Science, Technology, Engineering e Mathematics).

²As part of the Organisational Climate, the Empowerment dimension was assessed in 2022 to replace the Enablement dimension previously assessed, as part of the evolution of the employee consultation model at EDP.

HEALTH & SAFETY	UN	2022	2021	2020	2019
EMPLOYEES					
Accidents at work ¹	#	28	21	17	29
Fatalities	#	0	0	0	0
Frequency rate ²	Fr	1.13	0.92	0.77	1.50
Severity rate ³	Sr	65	69	60	90
CONTRACTORS					
Accidents at work ¹	#	105	132	115	82
Fatalities	#	5	7	3	2
Frequency rate ²	Fr	2.18	2.09	2.12	1.84
Severity rate ³	Sr	144	109	100	88

¹Accidents occurred at the place and working time or on a journey, with one or more days of absence and fatal accidents.

²Number of accidents at work in service with absence/fatalities, per million hours worked.

³Number of calendar days lost due to work accident per million hours worked, in the reference period.

CRISIS MANAGEMENT	UN	2022	2021	2020	2019
INFORMATION SECURITY / CYBER SECURITY					
Information security incidents ¹	#	3,172	4,043	3,397	4,631
Fines for breach of privacy and loss of customer data	#	0	0	4	3
Fines for breach of privacy and loss of customer data	000€	0	0	51	36

¹The evolution is explained by the greater robustness in the detection capacity of this indicator and the larger number of cyberattacks.

SUSTAINABLE FINANCE	UN	2022	2021	2020	2019
CREATION OF A LONG-TERM VALUE					
Economic Value Generated	000€	22,660,644	16,479,886	13,755,853	15,437,724
Turnover	000€	20,650,764	14,982,909	12,448,205	14,333,009
Other income	000€	2,009,880	1,496,976	1,307,648	1,104,715
Economic Value Distributed	000€	20,375,387	14,344,023	11,307,190	13,213,652
Employees	000€	770,800	666,459	667,313	620,196
Suppliers	000€	15,633,382	11,036,972	8,213,006	10,013,401
Shareholders	000€	953,629	884,821	690,924	690,924
Financial sector	000€	1,753,220	875,816	897,326	1,057,592
Community	000€	31,233	22,544	21,208	25,972
State	000€	1,036,365	700,696	630,723	658,553
Other	000€	196,758	156,715	186,690	147,014
Economic Value Accumulated	000€	2,285,257	2,135,863	2,448,663	2,224,072
Gross Value Added per Employee	000€/ #	383	350	397	370
CAPEX	000€	4,558,287	3,492,673	2,909,191	2,258,386
EBITDA	000€	4,523,539	3,723,050	3,949,963	3,705,617
Net Debt/EBITDA	x	2.9	3.1	3.1	3.7
Net Profit Attributable to EDP Shareholders	000€	679,001	656,717	800,692	511,751

CARING FOR OUR PLANET	UN	2022	2021	2020	2019
ISO 14001 CERTIFICATION					
ISO 14001 certification ¹	%	87	90	94	96
PREVENTION OF POLLUTION					
Total NO_x emissions		4.8	8.9	6.2	10.8
Portugal	kt	0.7	0.6	1.7	2.8
Spain	kt	4.1	3.7	3.0	3.9
Brazil	kt	0.0	4.7	1.5	4.1
Total SO₂ emissions		2.3	12.1	8.2	16.3
Portugal	kt	0.0	0.0	0.8	2.0
Spain	kt	2.3	1.6	1.5	1.5
Brazil	kt	0.0	10.5	6.0	12.8
Total particulate matter emissions		0.2	1.3	0.9	1.7
Portugal	kt	0.0	0.01	0.03	0.04
Spain	kt	0.2	0.15	0.08	0.10
Brazil	kt	0.0	1.10	0.81	1.52
WASTE MATERIALS	t	383,633	216,164	309,451	523,302
Waste	t	335,155	173,769	174,594	232,180
Hazard waste	t	5,019	6,728	5,810	5,094
Non-hazard waste	t	330,137	167,042	168,784	227,086
Recovered waste	t	314,371	136,025	150,406	210,846
Hazardous waste	t	3,842	4,334	3,564	n.d.
Recycled waste	t	3,002	2,099	1,443	n.d.
On site	t	0	0	n.d.	n.d.
Off site	t	3,002	2,099	n.d.	n.d.
Other	t	840	2,235	2,122	n.d.
On site	t	0	17	n.d.	n.d.
Off site	t	840	2,218	n.d.	n.d.
Non-hazardous	t	310,529	131,690	146,841	n.d.
Recycled waste	t	196,790	34,147	113,965	n.d.
On site	t	0	0	n.d.	n.d.
Off site	t	196,790	34,147	n.d.	n.d.
Other	t	113,694	97,543	32,876	n.d.
On site	t	0	10	n.d.	n.d.
Off site	t	113,694	97,533	n.d.	n.d.
Non-recovered waste	t	20,786	37,744	24,188	21,334
Hazardous waste	t	1,177	2,393	2,245	n.d.
Landfilling	t	172	562	398	n.d.
On site	t	0	0	n.d.	n.d.
Off site	t	172	562	n.d.	n.d.
Other disposal operations	t	1,004	1,831	1,848	n.d.
On site	t	0	0	n.d.	n.d.
Off site	t	1,004	1,831	n.d.	n.d.
Incineration	t	1	n.d.	n.d.	n.d.
On site	t	0	n.d.	n.d.	n.d.
Off site	t	1	n.d.	n.d.	n.d.

CARING FOR OUR PLANET	UN	2022	2021	2020	2019
Non-hazardous	t	19,608	35,351	21,943	n.d.
Landfilling	t	18,537	33,682	21,231	n.d.
On site	t	10,618	28,843	n.d.	n.d.
Off site	t	7,918	4,839	n.d.	n.d.
Other disposal operations	t	1,071	1,669	711	n.d.
On site	t	0	0	n.d.	n.d.
Off site	t	1,071	1,669	n.d.	n.d.
Incineration	t	0	n.d.	n.d.	n.d.
On site	t	0	n.d.	n.d.	n.d.
Off site	t	0	n.d.	n.d.	n.d.
Main waste categories					
Fly ash	%	82.14	87.53	82.76	82.69
Slag	%	7.70	10.11	10.34	13.21
Gypsum	%	8.54	0.28	4.45	1.81
Used oils	%	0.10	0.43	0.24	0.10
PCB	%	0.05	0.00	0.01	0.01
Metals	%	1.47	1.65	2.20	2.19
By-products	t	48,478	42,395	134,858	291,122
Gypsum	t	48,478	39,053	45,049	99,787
Fly ash	t	0	3,071	86,929	157,253
Slag	t	0	271	2,880	34,082
Specific production of waste materials	t/GWh	6.22	3.59	4.86	7.90
Recovered waste materials	%	95	83	92	96
NATURAL RESOURCES					
Total water withdrawal	10 ³ xm ³	675,668	358,480	602,909	996,309
Freshwater	10 ³ xm ³	11,275	14,527	11,944	18,315
Salt and estuarine water	10 ³ xm ³	664,393	343,953	590,965	977,994
In water-stressed regions²	10³xm³	213	9,042	6,294	11,774
Pecém	10 ³ xm ³	213	9,042	4,260	n.d.
Castejón	10 ³ xm ³	0	0	2,035	n.d.
Total water discharge	10 ³ xm ³	661,362	343,836	589,375	976,299
Discharge into inland water	10 ³ xm ³	1,215	1,554	1,891	1,783
Discharge into estuary water and sea	10 ³ xm ³	660,147	342,282	587,484	974,516
Municipal treatment	10 ³ xm ³	2.54	3.52	4.25	2.27
In water-stressed regions²	10³xm³	176	1,065	867	1,255
Pecém	10 ³ xm ³	176	1,065	418	672
Castejón	10 ³ xm ³	n.a.	n.a.	449	583
Total water consumption	10 ³ xm ³	14,797	16,248	14,967	21,736
Total freshwater consumption	10 ³ xm ³	9,964	13,045	10,252	16,817
In water-stressed regions²	10³xm³	213	9,042	5,847	11,192
Pecém	10 ³ xm ³	213	9,042	4,260	n.d.
Castejón	10 ³ xm ³	0	0	1,594	n.d.
Specific freshwater consumption	m ³ /GWh	162	217	161	254

CARING FOR OUR PLANET	UN	2022	2021	2020	2019
Fuel					
Coal	TJ	62,435	71,109	55,515	101,514
Natural gas	TJ	61,961	45,334	67,447	70,823
Diesel	TJ	217	69	127	173
Fuel oil	TJ	20	21	220	337
Waste gas	TJ	7,965	11,158	7,046	11,836
Chemicals consumption					
Sodium hydroxide	t	464	462	608	892
Hydrochloric acid	t	875	710	1,236	1,008
Sodium hypochlorite	t	1,957	2,094	3,087	4,175
Ammonia	t	8,848	2,368	6,063	10,557
Calcareous	t	24,934	24,327	27,254	54,267
Acquired oils	t	185	155	140	229
Environmental fines	000€	2	15	0	0
Indemnities to third parties	000€	97	26	11	4
CLIMATE CHANGE					
Hydroelectric Productivity Index					
Portugal	#	0.63	0.93	0.97	0.81
Spain	#	0.67	0.91	1.03	0.90
Emissions					
Specific CO₂ emissions³					
Global	g/kWh	152	164	146	216
Thermal	g/kWh	575	673	567	649
CO₂ equivalent emissions					
Scope 1	ktCO ₂ eq	9,405	9,819	9,304	14,363
Stationary combustion	ktCO ₂ eq	9,381	9,794	9,273	14,338
SF ₆ Emissions	ktCO ₂ eq	9	11	17	9
Company fleet	ktCO ₂ eq	15	14	13	15
Natural gas consumption	ktCO ₂ eq	0	0	0	0
Scope 2 (location-based⁴)⁶	ktCO ₂ eq	469	791	594	846
Electricity consumption in office buildings	ktCO ₂ eq	1	2	1	1
Electricity losses in distribution	ktCO ₂ eq	443	766	568	824
Renewable plants self-consumption	ktCO ₂ eq	25	23	25	21
Scope 2 (market-based⁵)⁶	ktCO ₂ eq	443	773	574	829
Electricity consumption in office buildings	ktCO ₂ eq	0	0	0	0
Electricity losses in distribution	ktCO ₂ eq	443	766	568	824
Renewable plants self-consumption	ktCO ₂ eq	0	7	6	5
Scope 3⁷	ktCO ₂ eq	9,279	10,304	9,595	11,730
Purchased goods and services (C01)	ktCO ₂ eq	713	721	1,116	28
Capital goods (C02)	ktCO ₂ eq	2,935	2,610	1,878	349
Fuel and energy related activities (C03)	ktCO ₂ eq	4,159	5,185	4,131	6,784
Upstream transportation and distribution (C04)	ktCO ₂ eq	6	66	39	611

CARING FOR OUR PLANET	UN	2022	2021	2020	2019
Waste generated in operations (C05)	ktCO ₂ eq	10	18	11	n.a.
Business travels (C06)	ktCO ₂ eq	9	3	3	7
Commuting (C07)	ktCO ₂ eq	11	12	11	n.a.
Use of sold products (C11)	ktCO ₂ eq	1,437	1,688	2,405	3,951
SF₆	kg	389	459	724	394
Portugal	kg	220	240	206	194
Spain	kg	62	53	298	54
South America	kg	104	166	217	140
North America	kg	0	0	0	6
Rest of the Europe	kg	2	0	3	0
APAC	kg	0	0	0	0

¹ Aggregated certification indicator due to assets with potential environmental impacts.

² ≤1,000 mg / L of total dissolved solids.

³ The stationary emissions do not include those produced by the burning of ArcelorMittal steel gases in EDP's power plant in Spain. Includes only stationary emissions.

⁴ Based on global emission factors of each geography.

⁵ Based in the suppliers' emission factors.

⁶ Calculation methodology of Scope 2 was revised to avoid emissions duplication with scope 1.

⁷ Methodological review conducted in 2021. The 2020 figures were adjusted based on the new methodology, but the calculations were not audited for that year. The 2020 figure includes 1.4 ktCO₂e from category 15 (investments).

SUPPLIER MANAGEMENT	UN	2022	2021	2020	2019
SUPPLIERS					
Number of Suppliers by purchase region	#	4,199	13,385	13,185	16,686
Portugal	#	1,052	3,649	3,923	4,200
Spain	#	549	1,421	2,552	1,966
South America	#	1,053	3,749	4,720	4,353
North America	#	357	654	594	763
Rest of the Europe	#	1,381	3,916	1,559	5,404
APAC	#	0	1	0	0
Purchase volume by purchase region	ME	10,074	5,724	4,738	5,391
Portugal	ME	3,003	1,395	965	1,078
Spain	ME	1,500	722	615	1,047
South America	ME	596	887	617	753
North America	ME	3,010	1,268	1,376	1,182
Rest of the Europe	ME	1,965	1,429	1,165	1,331
APAC	ME	0	23	0	0
Local Suppliers volume of purchases					
Portugal	%	27	58	76	92
Spain	%	40	51	58	88
South America	%	99	99	99	99
North America	%	99	100	100	100
Rest of the Europe	%	82	100	45	92
APAC	%	0	0	0	0

SUPPLIER MANAGEMENT	UN	2022	2021	2020	2019
Critical Suppliers¹					
ISO 14001 or equivalent	%	In clearance	25	69	82
OHSAS 18001 or equivalent	%	In clearance	36	55	65
Assessed by ESG criteria	%	In clearance	100	100	n.d.
Service providers with audited ESG risks	%	In clearance	45	53	n.d.
Human and labour rights due diligence	%	100	100	100	n.d.
ORIGIN OF FUEL					
Coal Origin					
Colombia	%	58	100	100	76
USA	%	2	0	0	13
South Africa	%	0	0	0	0
Russia	%	10	0	0	8
Australia	%	3	0	0	0
Kazakhstan	%	27	0	0	0
Ukraine	%	0	0	0	3
Gas Origin					
USA	%	57	81	n.d.	n.d.
Russia	%	0	12	n.d.	n.d.
Equatorial Guinea	%	6	5	n.d.	n.d.
Nigeria	%	0	2	n.d.	n.d.
Trinidad and Tobago	%	37	0	n.d.	n.d.
PURCHASE CATEGORY					
Materials and Equipment	%	13	22	24	n.d.
Corporate Services and IT	%	16	18	14	n.d.
Construction and technical services	%	41	40	53	n.d.
Fuels	%	31	20	9	n.d.

¹ Critical Suppliers exposed to environmental or health and safety risks.

RESPECT AND ADVOCATE FOR HUMAN RIGHTS	UN	2022	2021	2020	2019
HUMAN AND EMPLOYMENT RIGHTS					
Human Rights due diligence process	y/n	y	y	y	y

VOLUNTARY INVESTMENT IN THE COMMUNITY ¹	UN	2022	2021	2020	2019
Category	000€	19,857	21,275	20,654	23,650
Nonstrategic investment	000€	544	1,735	980	1,534
Strategic investment	000€	18,636	19,531	19,674	20,652
Commercial initiative	000€	677	9	0	1,464
Nature	000€	19,857	21,275	20,654	23,650
Education	000€	2,478	1,679	1,574	2,002
Health	000€	107	535	1	1,545
Economic development	000€	1,033	686	756	3,576
Environment	000€	2,414	1,125	787	1,616
Art and culture	000€	5,625	8,474	7,647	10,585
Social welfare	000€	6,104	6,271	2,432	2,907
Emergency response	000€	787	304	6,144	120
Other	000€	1,310	2,201	1,313	1,299
Type	000€	19,857	21,275	20,654	23,650
Cash contributions	000€	17,751	19,299	17,486	19,320
Kind contributions	000€	1,845	1,764	2,858	3,768
Working time contributions	000€	261	211	310	562
Management costs	000€	11,376	1,283	554	2,322
Total value of contributions (including management costs)	000€	31,233	22,558	21,208	25,972
Beneficiary entities	#	634	994	1,051	2,490
CORPORATE VOLUNTEERING					
EDP Volunteers	#	3,626	3,681	2,482	2,833
EDP time used in volunteering	h	10,551	11,307	14,457	23,258

¹ Determined according to the B4SI methodology. Not yet validated by Corporate Citizenship.

CORPORATE GOVERNANCE	UN	2022	2021	2020	2019
NUMBER OF MEMBERS					
EBD	#	5	5	7	9
GSB	#	16	16	21	21
NUMBER OF INDEPENDENT MEMBERS					
GSB	#	9	9	11	11
NUMBER OF WOMEN					
EBD	#	2	2	2	2
GSB	#	6	6	5	5

4.2. GRI indicators

Environmental indicators

2022	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE EUROPE	APAC
ENVIRONMENTAL CERTIFICATION								
ISO 14001 Certification ¹	%	87	98	41	95	96	93	n.d.
TOTAL ENERGY CONSUMPTION								
PRIMARY ENERGY CONSUMPTION	TJ	143,724	44,657	98,556	251	185	76	0
Coal	TJ	62,435	0	62,359	76	n.a.	n.a.	n.a.
Fuel oil	TJ	20	0	20	n.a.	n.a.	n.a.	n.a.
Natural gas	TJ	61,961	36,182	25,777	0	2	1	0
Blast furnace gas	TJ	7,965	n.a.	7,965	n.a.	n.a.	n.a.	n.a.
Coke gas	TJ	0	n.a.	0	n.a.	n.a.	n.a.	n.a.
Diesel oil	TJ	217	1	204	13	n.a.	n.a.	n.a.
Iron and steel industry gas	TJ	0	n.a.	0	n.a.	n.a.	n.a.	n.a.
Fuel for fleet	TJ	219	101	24	80	7	5	0
ENERGY INTENSITY ²	MJ/EUR	7.0	5.1	14.6	0.1	0.2	0.1	0.0
THERMAL POWER PLANT EFFICIENCY (capacity based)	%	46.7	53.9	41.1	n.a.	n.a.	n.a.	n.a.
ELECTRICITY CONSUMPTION								
Generation self-consumption	MWh	2,998,126	2,304,172	609,888	17,806	47,126	19,133	0
Administrative service	MWh	33,275	21,837	3,159	6,512	1,654	113	0
Grid losses	%	8.2	8.3	4.8	9.5	n.a.	n.a.	n.a.
GHG EMISSION								
Direct emissions (scope 1)	ktCO _{2eq}	9,405	2,020	7,368	16	1	0	0
Stationary combustion ³	ktCO _{2eq}	9,381	2,007	7,365	8	0	0	0
SF ₆ Emissions	ktCO _{2eq}	9.14	5.18	1.46	2.45	0.00	0.05	0
Company fleet	ktCO _{2eq}	15	8	2	5	1	0	0
Natural gas consumption	ktCO _{2eq}	0.17	0.00	0.00	0.00	0.12	0.05	0
Indirect emissions (scope 2) ⁴	ktCO _{2eq}	469	358	0	85	19	8	0
Electricity consumption in office buildings	ktCO _{2eq}	1.4	0.0	0.0	0.0	1.3	0.0	0
Electricity losses	ktCO _{2eq}	443	358	0	85	0	0	0
Renewable plants self-consumption	ktCO _{2eq}	25.0	0.0	0.0	0.0	17.2	7.8	0

2022	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE EUROPE	APAC
Other indirect emissions (scope 3)	ktCO _{2eq}	9,279	2,908	1,925	2,957	551	243	696
Purchased goods and services (C01)	ktCO _{2eq}	713	302	268	70	52	14	6
Capital Goods (C02)	ktCO _{2eq}	2,935	171	203	1152	497	222	690
Fuel and energy related activities (C03)	ktCO _{2eq}	4,159	1,665	765	1,729	0	0	0
Upstream transportation and distribution (C04)	ktCO _{2eq}	6	0	0	0	0	6	0
Waste generated in operations (C05)	ktCO _{2eq}	10	0	9	1	0	0	0
Business Travels (C06)	ktCO _{2eq}	9	3	2	2	1	0	0
Commuting (C07)	ktCO _{2eq}	11	4	3	3	1	0	0
Use of sold products (C11)	ktCO _{2eq}	1,437	763	675	0	0	0	0
GHG EMISSIONS INTENSITY⁵	kgCO₂/EUR	0.5	0.3	1.1	0.0	0.0	0.0	0.0
CO₂ AVOIDED EMISSIONS⁶	ktCO₂	22,749	2,554	2,232	1,808	12,658	3,035	462
TOTAL EMISSIONS								
CO ₂ ³⁷	kt	9,381	2,007	7,365	8	n.a.	n.a.	n.a.
NO _x	kt	4.8	0.7	4.1	0.0	n.a.	n.a.	n.a.
SO ₂	kt	2.3	0.0	2.3	0.0	n.a.	n.a.	n.a.
Particulate matter	kt	0.23	0.01	0.22	0.00	n.a.	n.a.	n.a.
Mercury	kg	37	0	37	0	n.a.	n.a.	n.a.
SF ₆	kg	389	220	62	104	0	2	0
SPECIFIC OVERALL EMISSIONS								
CO ₂ ³⁷	g/kWh	152	147	458	1	n.a.	n.a.	n.a.
NO _x	g/kWh	0.1	0.1	0.3	0.0	n.a.	n.a.	n.a.
SO ₂	g/kWh	0.0	0.0	0.1	0.0	n.a.	n.a.	n.a.
Particulate matter	g/kWh	0.00	0.00	0.01	0.00	n.a.	n.a.	n.a.
SPECIFIC THERMAL EMISSIONS								
CO ₂ ³⁷	g/kWh	575	28	687	2,238	n.a.	n.a.	n.a.
NO _x	g/kWh	0.3	0.1	0.4	0.0	n.a.	n.a.	n.a.
SO ₂	g/kWh	0.1	0.0	0.2	0.0	n.a.	n.a.	n.a.
Particulate matter	g/kWh	0.01	0.00	0.02	0.00	n.a.	n.a.	n.a.
TOTAL WATER WITHDRAWAL BY SOURCE								
Ocean ⁸	10 ³ x m ³	652,951	0	652,951	n.a.	n.a.	n.a.	n.a.
Surface	10 ³ x m ³	20,849	11,442	9,382	25	n.a.	n.a.	n.a.
Fresh water	10 ³ x m ³	9,407	n.a.	9,382	25	n.a.	n.a.	n.d.
Other water	10 ³ x m ³	11,442	11,442	n.a.	n.a.	n.a.	n.a.	n.d.
Water hole ⁹	10 ³ x m ³	166	166	0	0	n.a.	n.a.	n.a.
Well ⁹	10 ³ x m ³	3	0	0	2	1	1	0
Municipal water supplies ⁹	10 ³ x m ³	1,555	93	1,198	258	6	0	0
Other private entity ⁹	10 ³ x m ³	144	106	37	0	0	0	0

2022	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE EUROPE	APAC
MAIN USE OF WATER								
Cooling water	10 ³ x m ³	673,386	11,460	661,734	192	n.a.	n.a.	n.a.
Row water	10 ³ x m ³	2,249	445	1,783	21	n.a.	n.a.	n.a.
Potable water	10 ³ x m ³	175	75	23	69	8	0	0
WASTEWATER								
Wastewater from generation with treatment	10 ³ x m ³	812	102	692	18	n.a.	n.a.	n.a.
Discharge into estuarine water and sea ^a	10 ³ x m ³	660,147	6,662	653,309	176	n.a.	n.a.	n.a.
Discharge into inland water ^a	10 ³ x m ³	1,215	3	1,212	n.a.	n.a.	n.a.	n.a.
WASTE MATERIALS								
	t	383,634	2,048	270,004	110,792	712	79	0
Waste								
Hazard waste	t	5,019	672	1,282	2,771	255	39	0
Non-hazard waste	t	330,137	1,377	220,243	108,020	457	41	0
Recovered waste	t	314,371	1,717	202,801	109,325	456	71	0
Hazardous waste	t	3,842	452	839	2,287	226	37	0
Recycled waste	t	3,002	0	639	2,245	118	0	0
On site	t	0	0	0	0	0	0	0
Off site	t	3,002	0	639	2,245	118	0	0
Other	t	840	452	201	42	108	37	0
On site	t	0	0	0	0	0	0	0
Off site	t	840	452	201	42	108	37	0
Non-hazardous	t	310,529	1,265	201,963	107,038	229	34	0
Recycled waste	t	196,790	198	177,789	18,577	219	7	0
On site	t	0	0	0	0	0	0	0
Off site	t	196,790	198	177,789	18,577	219	7	0
Other	t	113,694	1,067	24,129	88,461	10	27	0
On site	t	0	0	0	0	0	0	0
Off site	t	113,694	1,067	24,129	88,461	10	27	0
Non-recovered waste	t	20,786	331	18,724	1,466	256	8	0
Hazardous waste	t	1,177	219	443	484	29	2	0
Landfilling	t	172	32	86	25	29	0	0
On site	t	0	0	0	0	0	0	0
Off site	t	172	32	86	25	29	0	0
Other disposal operations	t	1,004	187	357	459	0	2	0
On site	t	0	0	0	0	0	0	0
Off site	t	1,004	187	357	459	0	2	0
Non-hazardous	t	19,608	112	18,280	982	227	6	0
Landfilling	t	18,537	0	17,325	982	227	2	0
On site	t	10,618	0	10,618	0	0	0	0
Off site	t	7,918	0	6,707	982	227	2	0
Other disposal operations	t	1,071	112	955	0	0	4	0
On site	t	0	0	0	0	0	0	0
Off site	t	1,071	112	955	0	0	4	0

2022	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE EUROPE	APAC
By-products	t	48,478	0	48,478	n.a.	n.a.	n.a.	n.a.
Gypsum	t	48,478	0	48,478	n.a.	n.a.	n.a.	n.a.
Fly ash	t	0	0	n.a.	n.a.	n.a.	n.a.	n.a.
Slag	t	0	0	n.a.	n.a.	n.a.	n.a.	n.a.
Recovered waste materials	%	95	84	93	99	64	90	n.a.
DISTRIBUTION IN PROTECTED AREAS								
High voltage distribution grid in protected areas	km	1,521	915	209	397	n.a.	n.a.	n.a.
Overhead	km	1,505	899	209	397	n.a.	n.a.	n.a.
Underground	km	16	16	0	0	n.a.	n.a.	n.a.
Medium voltage distribution grid in protected areas	km	17,870	9,216	1,777	6,877	n.a.	n.a.	n.a.
Overhead	km	16,713	8,212	1,632	6,869	n.a.	n.a.	n.a.
Underground	km	1,158	1,004	145	9	n.a.	n.a.	n.a.
Substations in protected areas	#	72	29	28	15	n.a.	n.a.	n.a.
TRANSMISSION IN PROTECTED AREAS								
High voltage transmission grid in protected areas	km	84	n.a.	n.a.	84	n.a.	n.a.	n.a.
Overhead	km	84	n.a.	n.a.	84	n.a.	n.a.	n.a.
Underground	km	0	n.a.	n.a.	0	n.a.	n.a.	n.a.
Substations in protected areas	#	0	n.a.	n.a.	0	n.a.	n.a.	n.a.
FLOODED AREAS BY RESERVOIRS								
	ha	2,919	2,585	329	5	n.a.	n.a.	n.a.
ENVIRONMENTAL COMPLAINTS								
	#	222	30	66	100	20	6	0

¹ Aggregated certification indicator due to assets with potential environmental impacts.

² Primary energy consumption by turnover.

³ The stationary emissions do not include those produced by the burning of ArcelorMittal steel gases in EDP's power plants in Spain.

⁴ Calculation according with GHG Protocol based location methodology.

⁵ Scope 1 and Scope 2 emissions by turnover.

⁶ CO₂ emissions that would have occurred if the electricity generated by renewable energy sources were produced by thermal power plants. For each country, it is obtained by multiplying the net renewable energy production by the emission factor of the thermoelectric mix of that country.

⁷ Includes only stationary combustion emissions.

⁸ Other water: > 1,000 mg/L of total dissolved solids.

⁹ Fresh water: ≤1,000 mg/L of total dissolved solids.

2021	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE EUROPE	APAC
ENVIRONMENTAL CERTIFICATION								
ISO 14001 Certification ¹	%	90	100	66	89	96	74	n.d.
TOTAL ENERGY CONSUMPTION								
PRIMARY ENERGY CONSUMPTION	TJ	127,897	27,445	63,944	36,494	9	6	0
Coal	TJ	71,109	0	34,727	36,382	n.a.	n.a.	n.a.
Fuel oil	TJ	21	0	21	n.a.	n.a.	n.a.	n.a.
Natural gas	TJ	45,334	27,352	17,977	0	5	0	0
Blast furnace gas	TJ	10,891	n.a.	10,891	n.a.	n.a.	n.a.	n.a.
Coke gas	TJ	0	n.a.	0	n.a.	n.a.	n.a.	n.a.
Diesel oil	TJ	69	1	38	31	n.a.	n.a.	n.a.
Iron and steel industry gas	TJ	266	n.a.	266	n.a.	n.a.	n.a.	n.a.
Fuel for fleet	TJ	206	92	23	81	5	5	0
ENERGY INTENSITY²	MJ/EUR	9.2	5.0	16.5	12.6	0.3	0.2	0.0
THERMAL POWER PLANT EFFICIENCY (capacity based)	%	45.9	53.8	42.0	34.6	n.a.	n.a.	n.a.
ELECTRICITY CONSUMPTION								
Generation self-consumption	MWh	2,869,800	2,002,784	418,907	381,551	48,392	18,164	0
Administrative service	MWh	32,975	24,111	1,978	5,136	1,626	125	0
Grid losses	%	8.2	8.2	4.7	10.0	n.a.	n.a.	n.a.
GHG EMISSION								
Direct emissions (scope 1)	ktCO _{2eq}	9,819	1,532	4,265	4,022	1	0	0
Stationary combustion ³	ktCO _{2eq}	9,794	1,519	4,262	4,013	0	0	0
SF ₆ Emissions	ktCO _{2eq}	10.79	5.64	1.24	3.90	0.00	0.00	0
Company fleet	ktCO _{2eq}	14	7	2	5	0	0	0
Natural gas consumption	ktCO _{2eq}	0.23	0.00	0.00	0.00	0.22	0.01	0
Indirect emissions (scope 2)⁴	ktCO _{2eq}	791	527	11	228	18	7	0
Electricity consumption in office buildings	ktCO _{2eq}	1.5	0.0	0.0	0.0	1.5	0.0	0
Electricity losses	ktCO _{2eq}	766	527	11	228	0	0	0
Renewable plants self-consumption	ktCO _{2eq}	23.3	0.0	0.0	0.0	16.6	6.7	0
Other indirect emissions (scope 3)	ktCO _{2eq}	10,304	2,913	1,651	3,942	1,335	403	59
Purchased goods and services (C01)	ktCO _{2eq}	721	343	246	72	43	17	1
Capital Goods (C02)	ktCO _{2eq}	2,610	168	58	652	1,291	382	58
Fuel and energy related activities (C03)	ktCO _{2eq}	5,185	1,426	556	3,203	0	0	0
Upstream transportation and distribution (C04)	ktCO _{2eq}	66	66	0	0	0	0	0
Waste generated in operations (C05)	ktCO _{2eq}	18	1	4	12	0	0	0
Business Travels (C06)	ktCO _{2eq}	3	1	1	1	1	0	0
Commuting (C07)	ktCO _{2eq}	12	4	2	3	0	3	0
Use of sold products (C11)	ktCO _{2eq}	1,688	904	784	0	0	0	0

2021	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE EUROPE	APAC
GHG EMISSIONS INTENSITY⁵	kgCO ₂ /EUR	0.7	0.3	1.1	1.4	0.0	0.0	0.0
CO₂ AVOIDED EMISSIONS⁶	ktCO ₂	23,752	4,579	2,354	2,565	11,383	2,853	18
TOTAL EMISSIONS								
CO ₂ ³⁷	kt	9,794	1,519	4,262	4,013	n.a.	n.a.	n.a.
NO _x	kt	8.9	0.6	3.7	4.7	n.a.	n.a.	n.a.
SO ₂	kt	12.1	0.0	1.6	10.5	n.a.	n.a.	n.a.
Particulate matter	kt	1.26	0.01	0.15	1.10	n.a.	n.a.	n.a.
Mercury	kg	42	0	42	0	n.a.	n.a.	n.a.
SF ₆	kg	459	240	53	166	0	0	0
SPECIFIC OVERALL EMISSIONS								
CO ₂ ³⁷	g/kWh	164	95	340	372	n.a.	n.a.	n.a.
NO _x	g/kWh	0.1	0.0	0.3	0.4	n.a.	n.a.	n.a.
SO ₂	g/kWh	0.2	0.0	0.1	1.0	n.a.	n.a.	n.a.
Particulate matter	g/kWh	0.02	0.00	0.01	0.10	n.a.	n.a.	n.a.
SPECIFIC THERMAL EMISSIONS								
CO ₂ ³⁷	g/kWh	673	384	627	1,175	n.a.	n.a.	n.a.
NO _x	g/kWh	0.6	0.1	0.5	1.4	n.a.	n.a.	n.a.
SO ₂	g/kWh	0.8	0.0	0.2	3.1	n.a.	n.a.	n.a.
Particulate matter	g/kWh	0.09	0.00	0.02	0.32	n.a.	n.a.	n.a.
TOTAL WATER WITHDRAWAL BY SOURCE								
Ocean ⁸	10 ³ x m ³	335,269	0	335,269	n.a.	n.a.	n.a.	n.a.
Surface	10 ³ x m ³	12,936	8,684	4,244	7	n.a.	n.a.	n.a.
Fresh water	10 ³ x m ³	4,252	n.a.	4,244	7	n.a.	n.a.	n.d.
Other water	10 ³ x m ³	8,684	8,684	n.a.	n.a.	n.a.	n.a.	0
Water hole ⁹	10 ³ x m ³	142	142	0	0	n.a.	n.a.	n.a.
Well ⁹	10 ³ x m ³	3	0	0	0	2	1	0
Municipal water supplies ⁹	10 ³ x m ³	9,794	107	605	9,080	1	0	0
Other private entity ⁹	10 ³ x m ³	337	115	222	0	0	0	0
MAIN USE OF WATER								
Cooling water	10 ³ x m ³	355,935	8,696	339,100	8,138	n.a.	n.a.	n.a.
Row water	10 ³ x m ³	2,212	225	1,082	904	n.a.	n.a.	n.a.
Potable water	10 ³ x m ³	156	77	25	46	7	0	0
WASTEWATER								
Wastewater from generation with treatment	10 ³ x m ³	972	110	765	97	n.a.	n.a.	n.a.
Discharge into estuarine water and sea ⁹	10 ³ x m ³	342,282	5,558	335,660	1,065	n.a.	n.a.	n.a.
Discharge into inland water ⁹	10 ³ x m ³	1,554	2	1,552	n.a.	n.a.	n.a.	n.a.

2021	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE EUROPE	APAC
WASTE MATERIALS	t	216,164	13,711	65,756	135,180	1,311	207	0
Waste								
Hazard waste	t	6,728	2,292	1,456	2,257	637	85	0
Non-hazard waste	t	167,042	8,077	25,246	132,923	674	121	0
Recovered waste	t	136,025	7,867	17,324	109,775	886	173	0
Hazardous waste	t	4,334	1,308	702	1,669	576	79	0
Recycled waste	t	2,099	0	72	1,612	409	7	0
On site	t	0	0	0	0	0	0	0
Off site	t	2,099	0	72	1,612	409	7	0
Other	t	2,235	1,308	631	57	168	72	0
On site	t	17	0	17	0	0	0	0
Off site	t	2,218	1,308	614	57	168	72	0
Non-hazardous	t	131,690	6,559	16,622	108,106	309	94	0
Recycled waste	t	34,147	3,170	15,114	15,563	281	20	0
On site	t	0	0	0	0	0	0	0
Off site	t	34,147	3,170	15,114	15,563	281	20	0
Other	t	97,543	3,389	1,508	92,543	29	74	0
On site	t	10	0	0	10	0	0	0
Off site	t	97,533	3,389	1,508	92,533	29	74	0
Non-recovered waste	t	37,744	2,502	9,378	25,405	426	34	0
Hazardous waste	t	2,393	983	754	588	61	7	0
Landfilling	t	562	120	367	14	61	0	0
On site	t	0	0	0	0	0	0	0
Off site	t	562	120	367	14	61	0	0
Other disposal operations	t	1,831	863	387	574	0	7	0
On site	t	0	0	0	0	0	0	0
Off site	t	1,831	863	387	574	0	7	0
Non-hazardous	t	35,351	1,518	8,624	24,817	365	27	0
Landfilling	t	33,682	0	8,489	24,812	365	16	0
On site	t	28,843	0	4,581	24,262	0	0	0
Off site	t	4,839	0	3,908	550	365	16	0
Other disposal operations	t	1,669	1,518	136	4	0	11	0
On site	t	0	0	0	0	0	0	0
Off site	t	1,669	1,518	136	4	0	11	0
By-products	t	42,395	3,342	39,053	n.a.	n.a.	n.a.	n.a.
Gypsum	t	39,053	0	39,053	n.a.	n.a.	n.a.	n.a.
Fly ash	t	3,071	3,071	n.a.	n.a.	n.a.	n.a.	n.a.
Slag	t	271	271	n.a.	n.a.	n.a.	n.a.	n.a.

2021	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE EUROPE	APAC
Recovered waste materials	%	83	82	86	81	68	84	n.a.
DISTRIBUTION IN PROTECTED AREAS								
High voltage distribution grid in protected areas	km	1,493	915	209	369	n.a.	n.a.	n.a.
Overhead	km	1,477	899	209	369	n.a.	n.a.	n.a.
Underground	km	16	16	0	0	n.a.	n.a.	n.a.
Medium voltage distribution grid in protected areas	km	16,858	9,196	1,776	5,886	n.a.	n.a.	n.a.
Overhead	km	15,717	8,208	1,632	5,877	n.a.	n.a.	n.a.
Underground	km	1,141	989	144	9	n.a.	n.a.	n.a.
Substations in protected areas	#	70	29	28	13	n.a.	n.a.	n.a.
TRANSMISSION IN PROTECTED AREAS								
High voltage transmission grid in protected areas	km	127	n.a.	n.a.	127	n.a.	n.a.	n.a.
Overhead	km	127	n.a.	n.a.	127	n.a.	n.a.	n.a.
Underground	km	0	n.a.	n.a.	0	n.a.	n.a.	n.a.
Substations in protected areas	#	0	n.a.	n.a.	0	n.a.	n.a.	n.a.
FLOODED AREAS BY RESERVOIRS	ha	2,919	2,585	329	5	n.a.	n.a.	n.a.
ENVIRONMENTAL COMPLAINTS	#	261	42	34	113	27	45	0

¹ Aggregated certification indicator due to assets with potential environmental impacts.

² Primary energy consumption by turnover.

³ The stationary emissions do not include those produced by the burning of ArcelorMittal steel gases in EDP's power plants in Spain.

⁴ Calculation according with GHG Protocol based location methodology.

⁵ Scope 1 and Scope 2 emissions by turnover.

⁶ CO₂ emissions that would have occurred if the electricity generated by renewable energy sources were produced by thermal power plants. For each country, it is obtained by multiplying the net renewable energy production by the emission factor of the thermoelectric mix of that country.

⁷ Includes only stationary combustion emissions.

⁸ Other water: > 1,000 mg/L of total dissolved solids.

⁹ Fresh water: ≤1,000 mg/L of total dissolved solids.

Social indicators

2022	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE EUROPE	APAC
EMPLOYMENT								
Employees	#	13,211	5,716	2,119	3,328	1,041	476	531
Executive Board of Directors	#	5	5	0	0	0	0	0
Senior Management	#	386	182	88	30	52	7	27
Supervisors	#	1,323	520	291	189	192	62	69
Specialists	#	6,469	2,733	1,180	1,475	477	391	213
Technicians	#	5,028	2,276	560	1,634	320	16	222
Male employees	%	72.1	72.3	70.6	75.5	66.0	64.9	73.8
Female employees	%	27.5	27.7	29.4	24.5	28.9	35.1	26.2
Not declared employees	%	0.4	0.0	0.0	0.0	5.1	0.0	0.0
Females in management position	%	28	32	27	21	23	23	34
Senior management hired from the local community	%	88	99	81	90	75	86	67
Employees by types of contract	#	13,211	5,716	2,119	3,328	1,041	476	531
Executive bodies	#	53	32	0	21	0	0	0
Male	#	37	21	0	16	0	0	0
Female	#	16	11	0	5	0	0	0
Not declared	#	0	0	0	0	0	0	0
Permanent workforce	#	13,024	5,628	2,116	3,307	972	470	531
Male	#	9,416	4,084	1,495	2,495	643	307	392
Female	#	3,555	1,544	621	812	276	163	139
Not declared	#	53	0	0	0	53	0	0
Fixed-term contracts	#	134	56	3	0	69	6	0
Male	#	74	26	2	0	44	2	0
Female	#	60	30	1	0	25	4	0
Not declared	#	0	0	0	0	0	0	0
Employees by occupational contract	#	13,211	5,716	2,119	3,328	1,041	476	531
Full-Time	#	13,205	5,711	2,119	3,328	1,041	475	531
Male	#	9,526	4,131	1,497	2,511	687	308	392
Female	#	3,626	1,580	622	817	301	167	139
Not declared	#	53	0	0	0	53	0	0
Part-time	#	6	5	0	0	0	1	0
Male	#	1	0	0	0	0	1	0
Female	#	5	5	0	0	0	0	0
Not declared	#	0	0	0	0	0	0	0
Employees with special needs	#	191	72	18	70	31	0	0
Male	#	110	44	11	36	19	0	0
Female	#	81	28	7	34	12	0	0
Not declared	#	0	0	0	0	0	0	0

2022	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE EUROPE	APAC
Foreign employees	#	480	91	114	18	56	84	117
New employees ²	#	2,064	521	272	595	381	161	134
Direct admissions to permanent workforce	#	1,831	443	271	588	311	102	116
Admissions with fixed-term contracts	#	71	70	1	0	0	0	0
Other admissions	#	162	8	0	7	70	59	18
Male	#	1,216	302	175	437	118	113	71
Female	#	642	219	97	158	57	48	63
Not declared	#	206	0	0	0	206	0	0
<30 years	#	854	275	123	186	161	68	41
[30-50 years[	#	1,069	236	140	357	170	84	82
≥50 years	#	141	10	9	52	50	9	11
F/M new admissions rate	x	0.53	0.73	0.55	0.36	0.48	0.42	0.89
Employees leaving	#	1,553	474	135	487	251	49	157
Male	#	1,140	336	102	370	177	31	124
Female	#	400	138	33	117	61	18	33
Not declared	#	13	0	0	0	13	0	0
<30 years	#	333	76	29	90	70	7	61
[30-50 years[	#	779	144	70	290	149	40	86
≥50 years	#	441	254	36	107	32	2	10
Turnover	%	11.76	8.29	6.37	14.63	24.11	10.29	29.57
Male	%	11.97	8.13	6.81	14.74	25.76	10.03	31.63
Female	%	11.02	8.71	5.31	14.32	20.27	10.78	23.74
Not declared	%	24.53	n.a.	n.a.	n.a.	24.53	n.a.	n.a.
<30 years	%	14.40	8.00	12.83	15.33	25.27	6.14	38.36
[30-50 years[	%	9.80	4.70	5.63	12.09	25.82	12.23	25.22
≥50 years	%	15.31	14.91	5.54	31.20	27.12	5.71	32.26
Average age of workforce	years	41	43	44	38	37	37	35
Average age of new admissions	years	34	31	33	36	35	34	36
Average age of leaving	years	42	49	42	41	37	38	33
Average seniority of employees	years	12	16	14	9	4	3	2
Average seniority of leaving	years	12	23	12	10	3	4	1
Absenteeism rate	%	3.00	3.49	3.87	1.38	3.46	8.14	2.26
Employees entitled to parental leave	#	625	234	118	197	40	23	13
Male	#	397	153	79	118	24	12	11
Female	#	228	81	39	79	16	11	2
Not declared	#	0	0	0	0	0	0	0
Employees that took parental leave ³	#	459	165	118	106	37	20	13
Male ³	#	236	84	79	n.a.	24	9	11
Female	#	223	81	39	77	13	11	2
Not declared	#	0	0	0	0	0	0	0

2022	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE EUROPE	APAC
Retention rate of employees who took parental leave	%	98	100	94	99	98	96	100
Male ³	%	98	100	96	n.a.	96	100	100
Female	%	99	100	97	99	100	91	100
Not declared	%	0	0	0	0	0	0	0
Annualized average base salary								
Male	€	3,631	3,227	4,467	1,877	10,623	4,206	3,265
Female	€	3,825	3,542	3,923	2,023	10,162	3,282	4,147
Not declared	€	4,232	0	0	0	4,232	0	0
Pay ratio by gender (F/M)	x	1.05	1.10	0.88	1.08	0.96	0.78	1.27
Ratio of the annual total compensation for the organization's highest-paid individual to the average annual total compensation for all employees (excluding the highest-paid individual)	x	12.99	6.34	7.86	11.80	4.69	5.22	9.76
TRAINING								
Total hours of training	hours	309,935	140,908	86,147	49,191	22,451	9,831	1,407
Sustainability								
Environment	hours	1,648	886	483	94	19	165	1
Social and Economic	hours	225	194	5	1	0	24	1
Ethics	hours	5,714	1,037	582	3,620	349	32	93
Quality	hours	1,721	904	195	17	149	455	0
Languages	hours	20,212	3,356	14,050	1,285	299	1,221	0
Information systems	hours	28,900	6,927	16,888	2,002	1,428	1,467	186
Other	hours	251,515	127,604	53,942	42,172	20,206	6,466	1,126
Average total training	h/p	24	25	41	15	23	21	3
Executive Board of Directors	h/p	5	5	n.a.	n.a.	n.a.	n.a.	n.a.
Male	h/p	5	5	n.a.	n.a.	n.a.	n.a.	n.a.
Female	h/p	5	5	n.a.	n.a.	n.a.	n.a.	n.a.
Senior Management	h/p	60	50	118	20	39	136	7
Male	h/p	61	51	112	21	42	136	6
Female	h/p	58	47	140	15	33	n.a.	9
Supervisors	h/p	36	41	63	23	8	19	4
Male	h/p	36	39	73	21	8	12	4
Female	h/p	34	44	38	29	10	36	5
Specialists	h/p	18	18	33	10	14	19	3
Male	h/p	19	19	35	10	16	20	3
Female	h/p	16	17	29	8	11	19	3
Technicians	h/p	24	26	34	18	43	8	1
Male	h/p	26	29	35	20	50	4	1
Female	h/p	14	11	29	11	14	9	2
Employees with training	%	100	91	100	100	100	87	100

2022	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE EUROPE	APAC
Contractors								
Covered by certification	#	20,689	7,699	2,839	6,215	549	517	0
Covered by certification	%	81	100	100	49	37	99	0
Work-related injuries⁴								
Recordable work-related injuries	#	161	55	33	64	9	0	0
High-consequence work-related injuries (excluding fatalities)	#	10	5	3	2	0	0	0
Fatal work-related injuries	#	5	3	0	2	0	0	0
Work-related ill health								
Recordable ill health	#	0	0	0	0	0	0	0
Fatalities as a result of ill health	#	0	0	0	0	0	0	0
Accidents with lost workdays ⁷	#	105	50	23	32	0	0	0
Hours worked	hours	50,470,660	15,213,865	5,609,617	25,063,733	2,933,039	1,030,850	619,556
Rates								
Frequency rate ⁹	Fr	2.18	3.48	4.10	1.36	0.00	0.00	0.00
Severity rate ¹⁰	Sr	144	208	361	79	0	91	0
Overall severity rate ¹¹	oSr	749	1,412	361	566	0	91	0
Work-related injuries⁵								
Recordable Frequency Rate	RFr	3.19	3.62	5.88	2.55	3.07	0.00	0.00
High consequence Frequency Rate	HFr	0.20	0.33	0.53	0.08	0.00	0.00	0.00
Fatal Frequency Rate	FFr	0.10	0.20	0.00	0.06	0.00	0.00	0.00
EDP employees and contractors								
Rates								
Frequency rate ⁹	Fr	1.84	2.50	2.69	1.30	0.00	0.62	3.37
Severity rate ¹⁰	Sr	118	164	239	66	45	59	33
Overall severity rate ¹¹	oSr	526	896	239	443	45	59	33
Near accidents	#	471	135	85	107	125	19	0
People outside the activity								
Electrical accidents involving third parties ¹²	#	41	12	0	29	0	0	0
Fatal electrical accidents involving third parties ¹³	#	14	2	0	12	0	0	0
Representatives elected in H&S Commissions								
EDP employees represented ¹⁴	%	75	87	56	77	44	66	16
Employee's representative	#	9,782	5,183	1,162	2,772	455	210	6
H&S TRAINING								
Employees								
Awareness actions	#	5,398	405	724	3,328	784	145	12
Employees	#	36,152	8,423	6,335	13,101	7,549	673	71
Training hours	hours	176,500	28,112	21,239	115,553	8,888	2,457	251

2022	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE EUROPE	APAC
Contractors								
Awareness actions	#	9,388	5,880	109	3,194	0	198	7
Employees	#	35,432	24,817	1,171	8,674	0	610	160
Training hours	hours	173,241	50,903	153	120,377	0	180	1,628

¹ Data including employees of Viesgo companies acquired in December by the EDP Group.

² Net values of the employees transfer from fixed-term contracts to permanent workforce.

³ These values do not include information about male employees that took parental leave at South America.

⁴ Accidents at the workplace in worktime and accidents on the way to or from work, with an absence of one more calendar days and fatal accidents.

⁵ Includes accidents: fatal, absence from work (TTI – Temporary Total Incapacity), with TPI (Temporary Partial Incapacity) or PPI (Permanent Partial Incapacity); Without absence, with use of non-prescription medication at prescription strength; without absence, with use of wound closing treatment, such as suture, staples; without absence, administering immunization vaccines; without absence, with use of devices with rigid stays/others designed to immobilization; without absence, with physical therapy treatment; without absence, with loss of consciousness.

⁶ An accident at work in which a serious injury has resulted and from which the worker does not recover, or may not fully recover, or from which it is not expected to recover in less than 6 months. Excludes fatal accidents.

⁷ Accidents occurred at the place and working time or on a journey, with 1 or more days of absence and fatal accidents.

⁸ Sum of the number of absence calendar days resulting of work accidents occurred in the reference period, plus the number of days lost by accidents in the previous period, which lasted until the reference period without interruption. The lost time is measured from the day following the accident to the day right before the return to work.

⁹ Number of accidents at work in service with absence/fatalities, per million hours worked.

¹⁰ Number of calendar days lost due to work accident per million hours worked, in the reference period.

¹¹ Number of calendar days lost due to work accidents per million hours worked, in the reference period, including days for permanent disability and a portion of 6,000 days for each fatal accident.

¹² Accidents involving persons outside EDP's activity, including fatal accidents.

¹³ Accidents involving persons outside EDP's activity. It should be noted that in 2021, there were 14 fatal accidents, two of which had two victims.

¹⁴ Numbers of EDP employees represented by the total number of EDP employees.

2021	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE EUROPE	APAC
EMPLOYMENT								
Employees	#	12,236	5,716	2,021	3,226	909	352	12
Executive Board of Directors	#	5	5	0	0	0	0	0
Senior Management	#	962	519	208	89	117	29	0
Supervisors	#	865	332	285	127	85	36	0
Specialists	#	5,276	2,414	961	1,144	463	282	12
Technicians	#	5,128	2,446	567	1,866	244	5	0
Male employees	%	73.3	73.4	72.4	75.7	71.1	61.7	75.0
Female employees	%	26.7	26.6	27.6	24.3	28.9	38.4	25.0
Not declared employees	%	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
Females in management position	%	26	29	27	20	24	22	0
Senior management hired from the local community	%	92	100	76	89	64	67	0
Employees by types of contract	#	12,236	5,716	2,021	3,226	909	352	12
Executive bodies	#	58	33	0	25	0	0	0
Male	#	42	22	0	20	0	0	0
Female	#	16	11	0	5	0	0	0
Not declared	#	0	0	0	0	0	0	0
Permanent workforce	#	12,126	5,650	2,010	3,201	909	344	12
Male	#	8,898	4,153	1,454	2,423	646	213	9
Female	#	3,228	1,497	556	778	263	131	3
Not declared	#	0	0	0	0	0	0	0
Fixed-term contracts	#	52	33	11	0	0	8	0
Male	#	34	20	10	0	0	4	0
Female	#	18	13	1	0	0	4	0
Not declared	#	0	0	0	0	0	0	0
Employees by occupational contract	#	12,236	5,716	2,021	3,226	909	352	12
Full-Time	#	12,189	5,710	1,990	3,226	909	342	12
Male	#	8,967	4,193	1,460	2,443	646	216	9
Female	#	3,222	1,517	530	783	263	126	3
Not declared	#	0	0	0	0	0	0	0
Part-time	#	47	6	31	0	0	10	0
Male	#	7	2	4	0	0	1	0
Female	#	40	4	27	0	0	9	0
Not declared	#	0	0	0	0	0	0	0
Employees with special needs	#	179	71	17	67	21	3	0
Male	#	98	40	10	34	12	2	0
Female	#	81	31	7	33	9	1	0
Not declared	#	0	0	0	0	0	0	0

2021	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE EUROPE	APAC
Foreign employees	#	263	70	104	22	42	24	1
New employees ²	#	1,599	471	229	434	316	137	12
Direct admissions to permanent workforce	#	1,497	405	215	418	316	131	12
Admissions with fixed-term contracts	#	60	44	11	0	0	5	0
Other admissions	#	42	22	3	16	0	1	0
Male	#	1,047	306	153	291	213	75	9
Female	#	552	165	76	143	103	62	3
Not declared	#	0	0	0	0	0	0	0
<30 years	#	749	302	86	186	123	51	1
[30-50 years[	#	777	157	129	236	168	76	11
≥50 years	#	73	12	14	12	25	10	0
F/M new admissions rate	x	0.53	0.54	0.50	0.49	0.48	0.83	0.33
Employees leaving	#	1,543	570	300	455	183	35	0
Male	#	1,180	430	256	333	136	25	0
Female	#	363	140	44	122	47	10	0
Not declared	#	0	0	0	0	0	0	0
<30 years	#	261	90	20	89	54	8	0
[30-50 years[	#	566	80	56	293	113	24	0
≥50 years	#	716	400	224	73	16	3	0
Turnover	%	12.61	9.97	14.84	14.10	20.13	9.94	0.00
Male	%	13.15	10.25	17.49	13.63	21.05	11.52	0.00
Female	%	11.13	9.20	7.90	15.58	17.87	7.41	0.00
Not declared	%	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<30 years	%	12.72	9.35	11.90	14.64	23.08	10.26	0.00
[30-50 years[	%	7.85	2.75	4.61	12.92	20.29	9.60	0.00
≥50 years	%	24.10	21.73	35.16	20.80	13.56	12.50	0.00
Average age of workforce	years	42	43	45	38	37	37	36
Average age of new admissions	years	33	30	35	33	34	35	36
Average age of leaving	years	47	53	55	39	36	37	0
Average seniority of employees	years	13	17	14	9	4	3	1
Average seniority of leaving	years	19	27	28	8	4	3	0
Absenteeism rate	%	2.66	3.02	2.95	2.00	2.50	n.d.	n.d.
Employees entitled to parental leave	#	504	218	60	165	48	13	0
Male	#	350	152	36	115	37	10	0
Female	#	154	66	24	50	11	3	0
Not declared	#	0	0	0	0	0	0	0
Employees that took parental leave ³	#	320	149	60	50	48	13	0
Male ³	#	167	84	36	n.d.	37	10	0
Female	#	153	65	24	50	11	3	0
Not declared	#	0	0	0	0	0	0	0

2021	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE EUROPE	APAC
Retention rate of employees who took parental leave	%	94	100	100	82	100	100	0
Male ³	%	100	100	100	n.d.	100	100	0
Female	%	94	100	100	82	100	100	0
Not declared	%	0	0	0	0	0	0	0
Annualized average base salary		0	0	0	0	0	0	0
Male	€	3,133	3,154	4,513	1,139	7,025	4,202	5,191
Female	€	3,316	3,527	3,963	1,232	6,905	3,359	3,893
Not declared	€	0	0	0	0	0	0	0
Pay ratio by gender (F/M)	x	1.06	1.12	0.88	1.08	0.98	0.80	0.75
Ratio of the annual total compensation for the organization's highest-paid individual to the average annual total compensation for all employees (excluding the highest-paid individual)	x	11.13	6.12	5.55	20.05	5.09	3.66	2.23
TRAINING								
Total hours of training	hours	337,051	148,582	67,050	91,993	20,508	8,819	99
Sustainability		0	0	0	0	0	0	0
Environment	hours	3,513	1,160	1,457	448	75	372	1
Social and Economic	hours	414	363	31	0	0	20	0
Ethics	hours	6,892	2,749	1,402	1,699	871	162	8
Quality	hours	3,049	1,021	683	645	504	193	3
Languages	hours	15,937	3,220	10,358	1,486	0	874	0
Information systems	hours	37,687	22,078	10,296	3,273	941	1,078	20
Other	hours	269,560	117,990	42,824	84,442	18,117	6,120	67
Average total training	h/p	28	26	33	29	23	25	8
Executive Board of Directors	h/p	0	0	n.a.	n.a.	n.a.	n.a.	n.a.
Male	h/p	0	0	n.a.	n.a.	n.a.	n.a.	n.a.
Female	h/p	0	0	n.a.	n.a.	n.a.	n.a.	n.a.
Senior Management	h/p	23	20	39	14	9	34	0
Male	h/p	24	22	41	14	10	36	0
Female	h/p	18	14	34	15	5	28	0
Supervisors	h/p	55	89	38	41	18	25	0
Male	h/p	53	84	37	41	20	23	0
Female	h/p	7	104	40	42	10	30	0
Specialists	h/p	23	25	33	15	11	24	8
Male	h/p	25	26	35	18	13	29	10
Female	h/p	20	24	30	12	7	17	4
Technicians	h/p	28	19	28	37	53	16	0
Male	h/p	30	20	29	40	63	0	0
Female	h/p	17	17	24	13	20	16	0
Employees with training	%	100	97	100	100	100	85	100

2021	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE EUROPE	APAC
Contractors		0	0	0	0	0	0	0
Covered by certification	#	27,529	7,504	2,002	5,966	2,065	887	50
Covered by certification	%	82	100	80	29	100	100	100
Work-related injuries⁴		0	0	0	0	0	0	0
Recordable work-related injuries	#	187	49	32	86	14	6	0
High consequence work-related injuries (excluding fatalities)	#	9	6	0	2	0	1	0
Fatal work-related injuries	#	7	1	1	5	0	0	0
Work-related ill health		0	0	0	0	0	0	0
Recordable ill health	#	0	0	0	0	0	0	0
Fatalities as a result of ill health	#	0	0	0	0	0	0	0
Accidents with lost workdays ⁷	#	132	45	18	57	6	6	0
Hours worked	hours	66,388,297	14,830,005	4,945,024	40,648,122	4,128,270	1,787,334	49,542
Rates		0	0	0	0	0	0	0
Frequency rate ⁹	Fr	2.09	3.10	3.84	1.53	1.45	3.36	0.00
Severity rate ¹⁰	Sr	109	225	221	41	147	316	0
Overall severity rate ¹¹	oSr	753	680	1,435	779	143	316	0
Work-related injuries⁵		0	0	0	0	0	0	0
Recordable Frequency Rate	RFr	2.82	3.30	6.47	2.12	3.39	3.36	0.00
High consequence Frequency Rate	HFr	0.14	0.40	0.00	0.05	0.00	0.56	0.00
Fatal Frequency Rate	FFr	0.11	0.07	0.20	0.12	0.00	0.00	0.00
EDP employees and contractors		0	0	0	0	0	0	0
Rates		0	0	0	0	0	0	0
Frequency rate ⁹	Fr	1.79	2.38	2.59	1.30	1.54	3.53	0.00
Severity rate ¹⁰	Sr	99	178	142	35	164	252	0
Overall severity rate ¹¹	oSr	579	455	849	663	165	252	0
Near accidents	#	565	105	88	183	169	19	1
People outside the activity		0	0	0	0	0	0	0
Electrical accidents involving third parties ¹²	#	39	19	0	20	0	0	0
Fatal electrical accidents involving third parties ¹³	#	18	6	0	12	0	0	0
Representatives elected in H&S Commissions		0	0	0	0	0	0	0
EDP employees represented ¹⁴	%	81	86	41	61	51	75	22
Employee's representative	#	310	70	11	147	71	11	1
H&S TRAINING								
Employees		0	0	0	0	0	0	0
Awareness actions	#	1,501	186	484	154	594	81	2
Employees	#	33,622	11,493	4,399	5,243	12,136	341	10
Training hours	hours	92,357	9,534	15,126	55,201	10,581	1,905	9

2021	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE EUROPE	APAC
Contractors		0	0	0	0	0	0	0
Awareness actions	#	5,845	4,510	58	1,132	0	144	1
Employees	#	24,684	9,283	1,871	12,965	0	558	7
Training hours	hours	58,870	2,218	116	56,334	0	146	56

¹ Data including employees of Viesgo companies acquired in December by the EDP Group.

² Net values of the employees transfer from fixed-term contracts to permanent workforce.

³ These values do not include information about male employees that took parental leave at South America.

⁴ Accidents at the workplace in worktime and accidents on the way to or from work, with an absence of one more calendar days and fatal accidents.

⁵ Includes accidents: fatal, absence from work (TTI – Temporary Total Incapacity), with TPI (Temporary Partial Incapacity) or PPI (Permanent Partial Incapacity); Without absence, with use of non-prescription medication at prescription strength; without absence, with use of wound closing treatment, such as suture, staples; without absence, administering immunization vaccines; without absence, with use of devices with rigid stays/others designed to immobilization; without absence, with physical therapy treatment; without absence, with loss of consciousness.

⁶ An accident at work in which a serious injury has resulted and from which the worker does not recover, or may not fully recover, or from which it is not expected to recover in less than 6 months. Excludes fatal accidents.

⁷ Accidents occurred at the place and working time or on a journey, with 1 or more days of absence and fatal accidents.

⁸ Sum of the number of absence calendar days resulting of work accidents occurred in the reference period, plus the number of days lost by accidents in the previous period, which lasted until the reference period without interruption. The lost time is measured from the day following the accident to the day right before the return to work.

⁹ Number of accidents at work in service with absence/fatalities, per million hours worked.

¹⁰ Number of calendar days lost due to work accident per million hours worked, in the reference period.

¹¹ Number of calendar days lost due to work accidents per million hours worked, in the reference period, including days for permanent disability and a portion of 6,000 days for each fatal accident.

¹² Accidents involving persons outside EDP's activity, including fatal accidents.

¹³ Accidents involving persons outside EDP's activity. It should be noted that in 2021, there were 14 fatal accidents, two of which had two victims.

¹⁴ Numbers of EDP employees represented by the total number of EDP employees.

Economic indicators

EDP GROUP	UN	2022	2021
Economic value generated	000€	22,660,644	16,479,886
Economic value distributed	000€	20,375,387	14,344,023
Economic value accumulated	000€	2,285,257	2,135,863
RDI	000€	186,004	102,794
Energy efficiency and supplementary energy services revenues ¹	000€	2,035,806	1,604,454
Energy efficiency services revenues	000€	491,013	261,415
Supplementary energy services revenues ²	000€	1,544,793	1,343,039
Support from public authorities ³	000€	58,389	63,211
Fines and penalties	000€	11,301	7,276
Environmental matters ⁴	000€	1,111,545	422,438
Investments	000€	105,490	88,223
Expenses	000€	1,006,055	334,215
Social matters			
Personal costs	000€	684,355	574,541
Employee benefits	000€	86,445	91,918
Direct training investment	000€	3,788	3,704
Direct training investment per employee	€/p	287	303
HC ROI	€/p	6.51	5.92

¹Energy Efficiency and Supplementary Energy Services: services provided under energy supply, installation of more efficient and/or building retrofit, and sustainable mobility, which generate revenues for the company.

²Supplementary energy services revenues include the following categories: Energy Management, Maintenance and Operation, Property/Facility Management, Energy and/or Equipment Supply, Provision of Service (example: steam) and other.

³Support from public authorities both recognised and not recognised in the income statement.

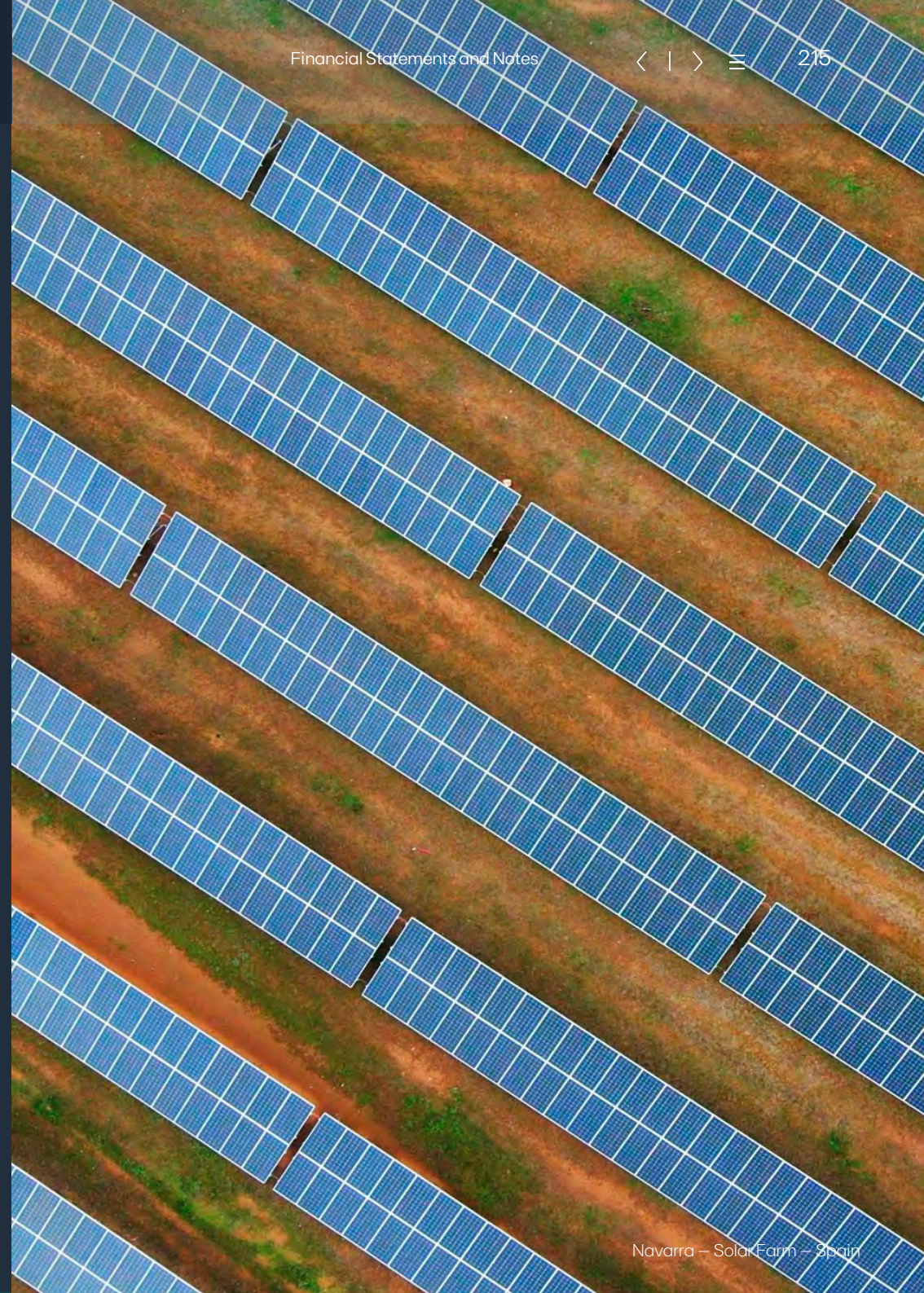
⁴More information available on the Note 48 in Part II – Financial Statements of this report.

Our global vision



Part II

Financial Statements and Notes



Financial Statements and Notes

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Financial Statements
31 December 2022

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Consolidated Income Statements
for the periods ended at 31 December 2022 and 2021

Thousand Euros	Notes	2022	2021*
Revenues from energy sales and services and other	7	20,650,764	14,982,909
Cost of energy sales and other	7	-14,529,713	-10,075,747
		6,121,051	4,907,162
Other income	8	927,450	1,023,988
Supplies and services	9	-1,103,668	-888,954
Personnel costs and employee benefits	10	-770,800	-666,459
Other expenses	11	-829,724	-727,965
Impairment losses on trade receivables and debtors	26	-60,199	-32,828
		-1,836,941	-1,292,218
Joint ventures and associates	21	239,429	108,106
		4,523,539	3,723,050
Provisions	36	-14,539	-60,510
Depreciation, amortisation and impairment	12	-1,979,007	-1,731,755
		2,529,993	1,930,785
Financial income	13	843,000	364,883
Financial expenses	13	-1,753,220	-875,816
Profit before income tax and CESE		1,619,773	1,419,852
Income tax expense	14	-398,490	-261,892
Extraordinary contribution to the energy sector (CESE)	15	-51,534	-53,314
		-450,024	-315,206
Net profit for the period		1,169,749	1,104,646
Attributable to:			
Equity holders of EDP	30	679,001	656,717
Non-controlling Interests	33	490,748	447,929
Net profit for the period		1,169,749	1,104,646
Earnings per share (Basic and Diluted) – Euros	30	0.17	0.17

* Includes restatement originated by changing the classification of the Social Tariff Costs as described in note 2a)

LISBON, 01 MARCH 2023

THE CERTIFIED ACCOUNTANT
N.º 17,713

THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

**Consolidated Statements of Comprehensive Income
for the periods ended at 31 December 2022 and 2021**

Thousand Euros	2022		2021	
	Equity holders of EDP	Non-controlling Interests	Equity holders of EDP	Non-controlling Interests
Net profit for the period	679,001	490,748	656,717	447,929
Items that will never be reclassified to profit or loss (i)				
Actuarial gains/(losses) (iii)	277,479	8,065	51,153	1,889
Tax effect from the actuarial gains/(losses)	-86,303	-2,525	-15,725	-758
Fair value reserve of assets measured at fair value through other comprehensive income with no recycling (ii)	-13,319	-	8,050	-
Tax effect from the Fair value reserve of assets measured at fair value through other comprehensive income with no recycling (ii)	3,856	-	-1,624	-
	181,713	5,540	41,854	1,131
Items that may be reclassified to profit or loss (i)				
Currency translation reserve	103,549	166,830	40,453	97,975
Fair value reserve (cash flow hedge) (ii)	-941,411	-124,424	-1,053,285	-147,287
Tax effect from the fair value reserve (cash flow hedge) (ii)	201,971	31,965	280,203	37,395
Fair value reserve of assets measured at fair value through comprehensive income with recycling (ii)	-	3,413	-1,053	797
Tax effect from Fair value reserve of assets measured at fair value through comprehensive income with recycling (ii)	-	-	353	-
Share of comprehensive income of joint ventures and associates, net of taxes	41,803	14,620	795	685
	-594,088	92,404	-732,534	-10,435
Other comprehensive income for the period (net of income tax)	-412,375	97,944	-690,680	-9,304
Total comprehensive income for the period	266,626	588,692	-33,963	438,625

(i) See Consolidated Statement of Changes in Equity

(ii) See Note 32

(iii) See Note 35

LISBON, 01 MARCH 2023

THE CERTIFIED ACCOUNTANT
N.º 17,713

THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

**Consolidated Statements of Financial Position
as at 31 December 2022 and 2021**

Thousand Euros	Notes	2022	2021*
Assets			
Property, plant and equipment	16	24,216,807	21,099,241
Right-of-use assets	17	1,320,270	1,007,029
Intangible assets	18	4,984,002	4,757,493
Goodwill	19	3,469,228	2,379,386
Investments in joint ventures and associates	21	1,605,743	1,350,445
Equity instruments at fair value	22	216,418	189,942
Investment property	23	27,294	20,668
Deferred tax assets	24	1,784,292	1,509,092
Debtors and other assets from commercial activities	26	3,772,126	2,668,506
Other debtors and other assets	27	1,924,510	1,841,147
Non-Current tax assets	28	109,902	173,846
Collateral deposits associated to financial debt	34	23,765	23,397
Total Non-Current Assets		43,454,357	37,020,192
Inventories	25	1,256,300	733,381
Debtors and other assets from commercial activities	26	4,888,220	5,928,004
Other debtors and other assets	27	3,371,795	2,810,855
Current tax assets	28	814,298	551,842
Collateral deposits associated to financial debt	34	29,336	26,678
Cash and cash equivalents	29	4,900,205	3,222,409
Non-Current Assets held for sale	41	101,900	700,791
Total Current Assets		15,362,054	13,973,960
Total Assets		58,816,411	50,994,152
Equity			
Share capital	30	3,965,681	3,965,681
Treasury stock	31	-51,288	-52,660
Share premium	30	1,196,522	1,196,522
Reserves and retained earnings	32	3,093,533	3,556,549
Consolidated net profit attributable to equity holders of EDP		679,001	656,717
Total Equity attributable to equity holders of EDP		8,883,449	9,322,809
Non-controlling Interests	33	4,951,159	4,654,756
Total Equity		13,834,608	13,977,565
Liabilities			
Financial debt	34	15,782,604	15,299,588
Employee benefits	35	644,299	940,266
Provisions	36	922,059	976,588
Deferred tax liabilities	24	1,244,593	989,078
Institutional partnerships in North America	37	2,212,162	2,259,741
Trade payables and other liabilities from commercial activities	38	1,412,454	1,806,925
Other liabilities and other payables	39	5,159,496	3,039,975
Non-current tax liabilities	40	179,250	124,362
Total Non-Current Liabilities		27,556,917	25,436,523
Financial debt	34	4,239,869	1,518,348
Employee benefits	35	126,767	179,534
Provisions	36	51,285	110,319
Trade payables and other liabilities from commercial activities	38	8,404,970	6,320,011
Other liabilities and other payables	39	3,600,893	2,781,101
Current tax liabilities	40	1,001,102	582,686
Non-Current Liabilities held for sale	41	-	88,065
Total Current Liabilities		17,424,886	11,580,064
Total Liabilities		44,981,803	37,016,587
Total Equity and Liabilities		58,816,411	50,994,152

* Includes restatement originated by the change in the classification of Green Certificates as described in note 2a)

LISBON, 01 MARCH 2023

THE CERTIFIED ACCOUNTANT
N.º 17,713

THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

**Consolidated Statements of Changes in Equity
for the periods ended at 31 December 2022 and 2021**

Thousand Euros	Reserves and retained earnings (ii)										
	Total Equity	Share capital (i)	Share premium (i)	Legal reserve	Other reserves and retained earnings	Fair value reserve (cash flow hedge)	Fair value reserve (financial assets)	Currency translation reserve	Treasury stock (iv)	Equity attributable to equity holders of EDP	Non-controlling Interests (iii)
Balance as at 31 December 2020	13,070,876	3,965,681	1,196,522	739,024	4,781,428	-4,368	11,888	-1,053,495	-54,025	9,582,655	3,488,321
Comprehensive income:											
Net profit for the period	1,104,646	-	-	-	656,717	-	-	-	-	656,717	447,929
Changes in the fair value reserve (cash flow hedge) net of taxes	-882,974	-	-	-	-	-773,082	-	-	-	-773,082	-109,892
Changes in the fair value reserve of assets measured at fair value through other comprehensive income, net of taxes	6,523	-	-	-	-	-	5,726	-	-	5,726	797
Share of other comprehensive income of joint ventures and associates net of taxes	1,480	-	-	-	4,940	-4,030	-	-115	-	795	685
Actuarial gains/(losses) net of taxes	36,559	-	-	-	35,428	-	-	-	-	35,428	1,131
Exchange differences arising on consolidation	138,428	-	-	-	-	-	-	40,453	-	40,453	97,975
Total comprehensive income for the period	404,662	-	-	-	697,085	-777,112	5,726	40,338	-	-33,963	438,625
Transfer to legal reserve	-	-	-	43,908	-43,908	-	-	-	-	-	-
Dividends paid	-749,763	-	-	-	-749,763	-	-	-	-	-749,763	-
Dividends attributable to non-controlling interests	-151,090	-	-	-	-	-	-	-	-	-	-151,090
Purchase and sale of treasury stock	-479	-	-	-	-	-	-	-	-479	-479	-
Share-based payments	2,684	-	-	-	840	-	-	-	1,844	2,684	-
Dilution of participation by equity increase EDP Renováveis S.A.	1,470,481	-	-	-	564,281	620	-252	-16,320	-	548,329	922,152
Acquisition of partnership in Central Térmica de Ciclo Combinado Grupo 4	-5,000	-	-	-	-69,684	-	-	-	-	-69,684	64,684
Changes resulting from acquisitions/sales, equity increases/decreases and other	-64,906	-	-	-	43,030	-	-	-	-	43,030	-107,936
Balance as at 31 December 2021	13,977,565	3,965,681	1,196,522	782,932	5,223,309	-780,860	17,362	-1,029,477	-52,660	9,322,809	4,654,766
Comprehensive income:											
Net profit for the period	1,169,749	-	-	-	679,001	-	-	-	-	679,001	490,748
Changes in the fair value reserve (cash flow hedge) net of taxes	-831,899	-	-	-	-	-739,440	-	-	-	-739,440	-92,459
Changes in the fair value reserve of assets measured at fair value through other comprehensive income, net of taxes	-6,050	-	-	-	-	-	-9,463	-	-	-9,463	3,413
Share of other comprehensive income of joint ventures and associates net of taxes	56,423	-	-	-	6,666	25,198	7,761	2,178	-	41,803	14,620
Actuarial gains/(losses) net of taxes	196,716	-	-	-	191,176	-	-	-	-	191,176	5,540
Exchange differences arising on consolidation	270,379	-	-	-	-	-	-	103,549	-	103,549	166,830
Total comprehensive income for the period	855,318	-	-	-	876,843	-714,242	-1,702	105,727	-	266,626	588,692
Transfer to legal reserve	-	-	-	10,204	-10,204	-	-	-	-	-	-
Dividends paid	-749,802	-	-	-	-749,802	-	-	-	-	-749,802	-
Dividends attributable to non-controlling interests	-202,044	-	-	-	-	-	-	-	-	-	-202,044
Purchase and sale of treasury stock	-982	-	-	-	-	-	-	-	-982	-982	-
Share-based payments	3,273	-	-	-	919	-	-	-	2,354	3,273	-
Acquisition of partnership in Sunseap (v)	44,366	-	-	-	-	-	-	-	-	-	44,366
Sale of partnership in Energest (v)	60,034	-	-	-	-	-	-	34,824	-	34,824	25,210
Changes resulting from acquisitions/sales, equity increases/decreases and other	-153,120	-	-	-	6,701	-	-	-	-	6,701	-159,821
Balance as at 31 December 2022	13,834,608	3,965,681	1,196,522	793,136	5,347,766	-1,495,102	15,660	-888,926	-51,288	8,883,449	4,851,159

(i) See note 30

(ii) See note 32

(iii) See note 33

(iv) See note 31

(v) See note 6

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THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

**Consolidated and Company Statements of Cash Flows
for the periods ended at 31 December 2022 and 2021**

Thousand Euros	Notes	Group		Company	
		2022	2021	2022	2021
Operating activities					
Profit before income tax and CESE		1 619,773	1 419,852	790,895	765,586
Adjustments for:					
Amortisation and impairment	12	1 979,007	1 731,755	34,959	31,649
Provisions	36	14,539	60,510	1 238	1 899
Joint ventures and associates		-208,684	-108,106	-	-
Financial (income)/expenses	13	910,220	510,933	-791,703	-984,777
(Gains) / Losses on disposal and scope effects except Asset Rotations		-4,377	-	-	-
Changes in working capital:					
Trade and other receivables		405,817	-1 267,111	-189,404	-1 161,229
Trade and other payables		766,260	785,560	69,546	1 302,765
Personnel		-142,137	-170,055	8,319	1 250
Regulatory assets		502,859	906,892	-	-
Other changes in assets/liabilities related with operating activities i)		-1 384,104	-1 184,866	-131,745	-324,307
Income tax and CESE		-258,849	-89,845	37,121	71,161
Net cash flows from operations		4 200,324	2 595,519	-170,774	-296,003
Net (gains) / losses with Asset Rotations		-422,539	-575,610	-	-
Net cash flows from operating activities		3 777,785	2 019,909	-170,774	-296,003
Investing activities					
Cash receipts relating to:					
Sale of assets/subsidiaries with loss of control ii)		1 552,131	763,279	-	-
Other financial assets and investments		82,950	110,545	49	5 860
Other financial assets at amortised cost		-	-	273,701	52,711
Changes in cash resulting from consolidation perimeter variations iii)		223,391	5,847	-	-
Property, plant and equipment and intangible assets		46,055	98,322	771	251
Other receipts relating to tangible fixed assets		20,198	12,234	-	-
Interest and similar income		101,841	22,996	38,416	35,796
Dividends		81,394	53,468	1 003,733	774,979
Loans to related parties		739,957	628,556	1 339,000	98,603
		2 847,917	1 695,247	2 655,670	968,200
Cash payments relating to:					
Acquisition of assets/subsidiaries iv)		-1 543,329	-98,381	-2,378	-
Other financial assets and investments v)		-137,970	-507,926	-424,923	-178,919
Other financial assets at amortised cost		-	-	-	-676,890
Changes in cash resulting from consolidation perimeter variations iii)		-116,281	-26,865	-	-
Property, plant and equipment and intangible assets		-3 499,996	-3 351,506	-48,587	-50,318
Loans to related parties		-782,206	-488,519	-366,748	-10,969
		-6 079,782	-4 473,197	-842,636	-917,096
Net cash flows from investing activities		-3 231,865	-2 777,950	1 813,034	51,104
Financing activities					
Receipts relating to financial debt (include Collateral Deposits)		4 448,815	3 080,716	2 634,236	2 452,048
(Payments) relating to financial debt (include Collateral Deposits)		-1 583,281	-2 649,517	-1 594,679	-2 068,048
Interest and similar costs of financial debt including hedge derivatives		-716,454	-481,329	-229,046	-235,199
Receipts/(payments) relating to loans from non-controlling interests		205,145	-53,679	-	-
Interest and similar costs relating to loans from non-controlling interests		-12,885	-18,244	-	-
Receipts/(payments) relating to loans from related parties		-5,982	-	-156,509	1 156,028
Interest and similar costs of loans from related parties including hedge derivatives		-111	-	-	-
Share capital increases/(decreases) (includes subscribed by non-control. interests)		-91,015	1 415,106	-	-
Receipts/(payments) relating to derivative financial instruments		21,017	10,317	121,013	20,585
Dividends paid to equity holders of EDP		-749,802	-749,763	-749,802	-749,763
Dividends paid to non-controlling interests		-203,827	-135,058	-	-
Treasury stock sold/(purchased)		-982	1,365	-982	-479
Lease (payments) vi)		-133,696	-98,772	-12,625	-12,502
Receipts/(payments) from institutional partnerships in North America vii)		-77,385	692,164	-	-
Net cash flows from financing activities		1 099,557	1 013,306	11 606	562,670
Changes in cash and cash equivalents					
		1 645,477	255,265	1 653,866	317,771
Effect of exchange rate fluctuations on cash held		32,319	28,023	755	51
Cash and cash equivalents reclassified as held for sale		-	-15,181	-	-
Cash and cash equivalents at the beginning of the period		3 222,409	2 954,302	2 490,453	2 172,631
Cash and cash equivalents at the end of the period viii)		4 900,205	3 222,409	4 145,074	2 490,453

- i) Relates, essentially, to payments/receipts related to commodity derivatives and constitution of collaterals to operate in energy markets;
- ii) Relates essentially to the receivment related to the sale of the companies Eólica do Sincelo, S.A. and Eólica da Linha, S.A (see note 27), to the sale of the stake in Energest S.A., to the sale of the stake in the project Indiana Crossroads Solar Park and to the sale of onshore wind portfolios in Europe (Spain, Poland and Italy) (see note 6);
- iii) Relates essentially to changes in perimeter resulting from the acquisition of the company EDP Transmissão Goiás S.A. (formerly Celg Transmissão), a stake in the Sunseap Group Pte. Ltd. and the sale of the Italian onshore (see note 6);
- iv) Relates, mainly, to the impact with the acquisition of the company EDP Transmissão Goiás S.A. (formerly Celg Transmissão), a stake in the Sunseap Group Pte. Ltd. And the acquisition of a 100% stake in two companies of Xuan Thien Group and a stake in Kronos Solar Projects GmbH and its subsidiaries (see note 6);
- v) Relates essentially to the acquisition of treasury stock of EDP Energias do Brasil and payments made within the scope of transactions in North America;
- vi) Includes capital and interest;
- vii) On a consolidated basis, refers to the receipts and payments net of transaction costs (transactions included in note 37);
- viii) See details of Cash and cash equivalents in note 29 and the Consolidated and Company Reconciliation of Changes in the responsibilities of Financing activities in note 52 of the Financial Statements.

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THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

Company Income Statements
for the periods ended at 31 December 2022 and 2021

Thousand Euros	Notes	2022	2021
Revenues from energy sales and services and other	7	9,084,227	5,201,964
Cost of energy sales and other	7	-8,766,247	-5,139,933
		317,980	62,031
Other income		15,073	14,310
Supplies and services	9	-195,329	-169,556
Personnel costs and employee benefits	10	-88,096	-80,652
Other expenses		-14,254	-11,757
Impairment losses on trade receivables and debtors		15	-19
		-282,591	-247,674
		35,389	-185,643
Provisions		-1,238	-1,899
Depreciation, amortisation and impairment	12	-34,959	-31,649
		-808	-219,191
Financial income	13	1,650,428	1,459,316
Financial expenses	13	-858,725	-474,539
Profit before income tax		790,895	765,586
Income tax expense	14	57,670	58,484
Net profit for the period		848,565	824,070
Earnings per share (Basic and Diluted) – Euros		0.21	0.21

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THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

**Company Statements of Comprehensive Income
for the periods ended at 31 December 2022 and 2021**

Thousand Euros	2022	2021
Net profit for the period	848,565	824,070
Items that will never be reclassified to profit or loss (i)		
Actuarial gains/(losses)	2,636	649
Tax effect from the actuarial gains/(losses)	-616	-143
	2,020	506
Items that may be reclassified to profit or loss (i)		
Fair value reserve (cash flow hedge) (ii)	-1,317,921	468,352
Tax effect from the fair value reserve (cash flow hedge) (ii)	285,062	-105,379
	-1,032,859	362,973
Other comprehensive income for the period (net of income tax)	-1,030,839	363,479
Total comprehensive income for the period	-182,274	1,187,549

(i) See Company Statement of Changes in Equity

(ii) See note 32

LISBON, 01 MARCH 2023

THE CERTIFIED ACCOUNTANT
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THE MANAGEMENT THE EXECUTIVE BOARD OF DIRECTORS

**Company Statements of Financial Position
as at 31 December 2022 and 2021**

Thousand Euros	Notes	2022	2021
Assets			
Property, plant and equipment	16	43,548	37,056
Right-of-use assets	17	96,845	101,630
Intangible assets	18	150,695	132,660
Investments in subsidiaries	20	15,427,399	15,065,364
Investments in joint ventures and associates		2,229	2
Equity instruments at fair value		1,328	1,227
Investment property	23	117,277	101,700
Deferred tax assets	24	314,760	37,218
Debtors and other assets from commercial activities		1,515	867
Other debtors and other assets	27	3,080,145	3,745,567
Total Non-Current Assets		19,235,741	19,223,291
Inventories	25	30,875	79,960
Debtors and other assets from commercial activities	26	2,113,792	2,047,936
Other debtors and other assets	27	4,202,640	5,816,675
Current tax assets	28	194,240	94,426
Cash and cash equivalents	29	4,145,074	2,490,453
Total Current Assets		10,686,621	10,529,450
Total Assets		29,922,362	29,752,741
Equity			
Share capital	30	3,965,681	3,965,681
Treasury stock	31	-51,288	-52,660
Share premium	30	1,196,522	1,196,522
Reserves and retained earnings	32	2,323,839	3,279,491
Net profit for the period		848,565	824,070
Total Equity		8,283,319	9,213,104
Liabilities			
Financial debt	34	5,754,070	9,081,678
Employee benefits		7,399	8,097
Provisions		5,142	4,000
Trade payables and other liabilities from commercial activities		20	7
Other liabilities and other payables	39	2,183,162	1,823,998
Total Non-Current Liabilities		7,949,793	10,917,780
Financial debt	34	8,189,632	3,952,621
Employee benefits		221	969
Provisions		895	798
Trade payables and other liabilities from commercial activities	38	2,070,498	2,192,662
Other liabilities and other payables	39	3,393,302	3,430,452
Current tax liabilities	40	34,702	44,355
Total Current Liabilities		13,689,250	9,621,857
Total Liabilities		21,639,043	20,539,637
Total Equity and Liabilities		29,922,362	29,752,741

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THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

**Company Statements of Changes in Equity
for the periods ended at 31 December 2022 and 2021**

Thousand Euros	Total Equity	Share capital (i)	Share premium (i)	Reserves and retained earnings (ii)			
				Legal reserve	Other Reserves and retained earnings	Fair value reserve (cash flow hedge)	Treasury stock (iii)
Balance as at 31 December 2020	8,773,113	3,965,681	1,196,522	739,024	2,860,158	65,753	-54,025
Comprehensive income:							
Net profit for the period	824,070	-	-	-	824,070	-	-
Changes in the fair value reserve (cash flow hedge) net of taxes	362,973	-	-	-	-	362,973	-
Actuarial gains / (losses) net of taxes	506	-	-	-	506	-	-
Total comprehensive income for the period	1,187,549	-	-	-	824,576	362,973	-
Transfer to legal reserve	-	-	-	43,908	-43,908	-	-
Dividends paid	-749,763	-	-	-	-749,763	-	-
Purchase and sale of treasury stock	-479	-	-	-	-	-	-479
Share-based payments	2,684	-	-	-	840	-	1,844
Balance as at 31 December 2021	9,213,104	3,965,681	1,196,522	782,932	2,891,903	428,726	-52,660
Comprehensive income:							
Net profit for the period	848,565	-	-	-	848,565	-	-
Changes in the fair value reserve (cash flow hedge) net of taxes	-1,032,859	-	-	-	-	-1,032,859	-
Actuarial gains / (losses) net of taxes	2,020	-	-	-	2,020	-	-
Total comprehensive income for the period	-182,274	-	-	-	850,585	-1,032,859	-
Transfer to legal reserve	-	-	-	10,204	-10,204	-	-
Dividends paid	-749,802	-	-	-	-749,802	-	-
Purchase and sale of treasury stock	-982	-	-	-	-	-	-982
Share-based payments	3,273	-	-	-	919	-	2,354
Balance as at 31 December 2022	8,283,319	3,965,681	1,196,522	793,136	2,983,401	-604,133	-51,288

(i) See note 30

(ii) See note 32

(iii) See note 31

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THE MANAGEMENT

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Conflict situation and geopolitical instability in Eastern Europe – Macroeconomic, Regulatory, Operational, Accounting Impact and relationship with Stakeholders

On 24 February 2022, a military conflict was initiated in Ukraine with the invasion of its territory by the Russian troops which has resulted in a humanitarian crisis. Direct and indirect victims, and a significant number of refugees and displaced citizens (UN estimate of over 14 million people by end of December 2022) have been caused by the attacks to Ukrainian localities with several repercussions on the energy, commodities, intermediate goods, customer and service markets. This note identifies actual and potential business, financial, operational, accounting and strategic impacts.

Given its geopolitical positioning, the conflict has particular relevance to the continuity of EDP Group's business in Europe, and for possibly more attenuated spill-overs for the operations in North America, Latin America and Asia.

The magnitude of geopolitical tensions remains high, with relevant impacts arising from this crisis continuing to be felt, the worsening and/or prolonging of this conflict may increase an even greater increase in risk and negative impacts for EDP Group's business.

Impact on energy markets – energy crisis

The prices of energy markets, particularly in Europe, rose to historically high levels in the 2nd half of 2021. The military conflict has further weakened energy markets and led to a larger sustained increase in energy prices in Europe, since Russia is one of the main exporters of natural gas. Taking into account the introduction of regulatory measures to contain the price of gas and electricity all over Europe and, in particular, in Iberia, the pool price has stabilised.

The main impacts/risks in terms of energy markets are:

- Prices of commodities: the sanctions and economic boycott of Russia, in an attempt to stop the aggression against Ukraine, have led to a limitation in the supply of natural gas, and an increase in demand from other markets (e.g., US's LNG market), putting high pressure on prices of raw materials and, consequently, in the final price of energy; and
- Energy dependence/availability of resources/increase in economic protectionism: European energy reliance on Russia has also forced a reflection on viable alternatives to ensure energy independence, reinforcing the problem already felt at various levels (economic, political and now energetic) of regionalization/clustering – in opposition to globalization. This phenomenon consists in the approximation and dialogue with countries/neighbouring regions with common principles and goals, and an increase in protectionism in relation to other countries, operating autonomously in relation to the rest of the world.

EDP continues to take a cautious approach, seeking to undertake a balanced integrated position in energy (especially in Iberia, where it has a Generation and Supply business), and closely monitoring the evolution of the markets.

In terms of gas supply, EDP does not have any supply contract in place with Russia and is relatively more protected than other European peers from potential disruptions in the supply chains.

The energy transition is also seen as a measure to increase the resilience and energetic independence of the markets, increasing the renewable share in the energy portfolio, reducing dependence on gas supply, with EDP being a player with a leadership role in this area.

Regulatory impact

In a context of economic uncertainty and energy crisis, the way in which international and governmental institutions in each country accommodate the impacts and try to limit economic consequences for economic agents was object of analysis and discussion. Several measures with significant impact have already been adopted, while others remain under analysis. In particular, to contain energy prices increase, regulatory mechanisms were created in Portugal and Spain by introducing a cap on the value considered for gas, as an electricity production factor (approved on 8 June, with effective date from 15 June 2022 to 31 May 2023). This mechanism implies the payment of compensation amounts to the electricity generators by consumers who will have benefited from the effects of the mechanism.

Additionally, several packages of measures leading to energy savings were approved in several European countries, namely Portugal and Spain. Other regulatory mechanisms with an impact on EDP's business were also applied, namely clawback to inframarginal generation in specific countries (eg Spain, Romania). In Portugal, in addition to the partial reduction of the VAT rate applicable to electricity, the constitution of a strategic water reserve was also approved, which aims to ensure that the storage levels of 15 hydro power plants reach more comfortable values.

Other mechanisms are being discussed at European level, namely the definition of a maximum cap on revenues from inframarginal power plants, a solidarity contribution tax on the oil & gas and coal sector, intervention in retail prices and liquidity guarantee mechanisms (collateral). Noteworthy is the recent approval of a European Regulation, which contains several of the measures mentioned above and which gives States members some discretion in their adoption or in the adoption of measures with a similar effect.

In regulatory terms, the main risks identified are:

- Possible increase in sectorial charges or taxes on energy companies: creation/increase of additional fees and taxes to bridge the gap between energy production and sale prices; and
- Change in market structure: possible changes in market structure (e.g., introduction of a cap on the price of electricity, or decoupling of gas).

EDP has been closely monitoring the developments on this topic, positioning itself in the best possible way in the face of the challenges brought about by the aforementioned changes.

Financial impact

In addition to energy markets, financial market continues to experience times of huge instability and volatility, with a significant negative impact.

The main financial risks identified are:

- Inflation: current constraints are not only limited to gas sourcing, with impact in the energy sector, but also to essential raw materials in sectors such as agriculture, transport, among others, leading to a general increase in prices. EDP Group's business has a high degree of indexation, directly or indirectly, of its revenues to inflation, mitigating this risk;
- Growing interest rates: pressure on interest rates leads to increases in financing costs related with floating rate debt and new fixed rate debt. EDP has focused on increasing the duration of its fixed debt during the year 2022 and on pre-hedging future financing;
- Counterparty default: the huge increase of prices in the energy market raised the exposure to counterparties in long positions. Additionally, the prolongation of the conflict and the increase of sanctions against Russia and the penalizations of several institutions may lead to an increase in the default risk of some counterparties; and
- Liquidity: extremely high initial margins in organized markets due to very high prices and volatility, giving rise to significant cash variations and an increase in collateral requests.

EDP has been closely monitoring the evolution of the financial markets and the financial situation of its counterparties, seeking to mitigate exposure to potential financial risks, with a cautious approach in terms of the interest rate combination with a high percentage of fixed rate, a careful choice of its main counterparties favouring high ratings and high levels of liquidity (cash and available credit lines).

Operational impact

The Russia-Ukraine conflict has been resulted in several operational impacts, direct and indirect, either due to the presence of EDP operations in border regions with Ukraine, or due to the dependence on products and raw materials coming from the region.

Several risks with operational impacts were identified, namely:

- Physical assets and operations: the proximity of physical generation assets (EDP Renováveis) to the border with Ukraine, namely in Poland, Romania and Hungary, countries with greater risk of suffering damage in the event of a geographic expansion of the military conflict, is noteworthy. There may also be additional constraints, including increases in the maintenance costs of assets due to a rise in the price of resources and raw materials, and/or due to the unavailability of labour coming from the affected countries;
- People's safety: the existence of generation infrastructures close to the conflict region also implies the presence of EDP teams and subcontracted teams, which, even though these are not permanently in these facilities, may expose them to a higher level of risk with the evolution of the conflict;
- Cybersecurity: there continues to be a high number of cyberattacks worldwide, with an increase level of sophistication and a potential impact for EDP, directly or indirectly (for example, through providers of critical IT and OT services), which continues to motivate a reinforcement of safety monitoring and the adoption of complementary measures by EDP;
- Supply chain: there continues to be no relevant direct exposure of EDP to countries in conflict or sanctioned, however, there may be indirect dependence through EDP suppliers of products and raw materials (fuels, but also other resources such as copper, aluminium, nickel, among others), from Russia or Ukraine, or whose transport route crosses/passes in the area of the conflict zone, raising the possibility that the supply chain may be subject to disruptions by different causes and with variable duration. There is also an increase in the costs associated with these goods, both in terms of production, given the shortage of some raw materials, and in terms of transport; and
- Compliance: the application of sanctions to Russia by different countries and organizations, including the EU, continues to require internal monitoring in order to reduce the risk of EDP's non-compliance with such sanctions and manage any previously established partnerships.

EDP continues to reinforce the security and contingency mechanisms associated with its employees, as well as its operation and critical assets, including but not limited to the active monitoring of the evolution of the different risk factors identified. Additionally, EDP established local plans and strategies to answer to the possible geographic spread of the conflict, in order to protect people and assets.

EDP's operational and investment activities are reliant on local and global supply chains, with an active management of critical supplies being carried out to minimize potential impacts of disruptions in these chains.

Accounting impact

EDP Group has not applied any different classifications from those normally used in its Consolidated Income Statement, as a result of the conflict above mentioned. To assess possible accounting impacts, the Group reassessed the estimates it considers relevant and which may have been impacted by this fact, in particular those arising from the aforementioned increase in inflation rates and interest rates. The impacts recognised at 31 December 2022, as well as the respective sensitivity analyses, are described throughout the notes to financial statements, namely regarding the impairment tests of non-financial assets (see note 12), provisions for dismantling (see note 36) and employee benefits (see note 35).

Strategic impact (macroeconomics and relationship with key stakeholders)

Macroeconomic impact

The current geopolitical crisis in Eastern Europe includes significant risks for the economy and society, with an associated level of uncertainty about the duration of the conflict and the economic impacts that will outcome. In global macroeconomic, impacts have been felt in terms of increased costs of raw materials, particularly regarding energetic and agricultural, as well as a greater probability of disruption in international supply chains.

Additionally, beside causing the escalation of existing geopolitical tensions, contributing to global instability with still uncertain medium-long-term consequences, the proximity of the conflict to the borders of the EU also represents a challenge to the cohesion between the member states.

Relationship with stakeholders

Since the first moment, EDP Group has assumed the commitment to safeguard the interests of its stakeholders and has been permanently following up the main developments of the military conflict and possible implications for all the stakeholders involved.

This monitoring and intervention has been manifested at different levels, of which the following stand out:

- Employees: EDP has been reinforcing its internal communication, raising awareness of possible impacts arising from the conflict, as well as its positioning and measures adopted to manage such outcomes;
- Customers: EDP reinforced its concern with stabilizing energy prices, particularly in the free market, despite the high volatility of costs associated with fuels and other raw materials;
- Communities: EDP has launched a humanitarian aid campaign with its employees, and has combined efforts with institutions presented locally in order to support the most disadvantaged and vulnerable; and
- Shareholders: the Executive Board of Directors has been working closely with the General and Supervisory Board, in order to act in the most suitable manner, protecting the interests of its shareholders.

1. Economic activity of EDP Group

EDP – Energias de Portugal, S.A. (hereinafter referred to as EDP), currently with head office in Lisbon, Avenida 24 de Julho 12 and with its shares listed on the Euronext Lisbon stock exchange, results from the transformation of Electricidade de Portugal, E.P., incorporated in 1976 following the nationalization and consequent merger of the main companies in the electricity sector in Portugal. During 1994, as established by Decree-laws 7/91 and 131/94, the EDP Group (EDP Group or Group) was set up following the split of EDP, which led to a number of directly or indirectly wholly owned subsidiaries of EDP.

The Group's businesses are currently focused on the generation, transmission, distribution and supply of electricity and supply of gas. Additionally, the Group also operates in related areas such as engineering, laboratory tests, professional training, energy services and property management.

EDP Group operates essentially in the European (Portugal, Spain, France, Poland, Romania, Italy, Belgium, United Kingdom and Greece), American (Brazil, Colombia and North America) and Southeast Asia energy sectors.

2. Accounting policies

a) Basis of presentation

The accompanying condensed consolidated and company financial statements of EDP – Energias de Portugal, S.A. reflect the results of the company's operations and its subsidiaries (EDP Group or Group) and the Group's interest in its joint ventures and associated companies, for the periods ended on 31 December 2022 and 2021 and EDP S.A.'s Executive Board of Directors approved them on 01 March 2023. The financial statements are presented in thousand Euros, rounded to the nearest thousand.

In accordance with Regulation (EC) 1606/2002 of the European Council and Parliament, of 19 July 2002, as transposed into Portuguese legislation through Decree-law 35/2005 of 17 February 2005, with changes updated by the Decree-law 158/2009 of 13 July and Decree-law 98/2015 of 2 June, the company's financial statements and the Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union (E.U). IFRS comprise accounting standards issued by the International Accounting Standards Board (IASB) as well as interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and their predecessor bodies. The EDP Group's consolidated and company financial statements for the years ended 31 December 2022 and 2021 were prepared in accordance with IFRS as adopted by the E.U. and effective since 1 January 2022.

The accounting policies used by the Group in preparing the consolidated financial statements described in this note were adopted in accordance. The new standards and interpretations recently issued but not yet effective and that the Group has not yet applied on its consolidated financial statements, are detailed in note 3.

The financial statements have been prepared on a going concern basis and under the historical cost convention, modified by the application of the fair value accounting to derivative financial instruments, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. Assets and liabilities that are hedged under hedge accounting are stated at fair value in respect of the hedged risk. Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell. Liabilities for defined benefit plans are recognised at the present value of the obligation net of plan assets fair value.

In accordance with IFRS 3 – Business Combinations, if the initial purchase price allocation of assets, liabilities and contingent liabilities acquired is identified as provisional, in the subsequent 12 months after the business combination transaction, the legal acquirer should make the final allocation of the purchase price related to the fair value of the assets, liabilities and contingent liabilities acquired. These adjustments with impact on the amount of goodwill determined and booked in previous periods, originate a restatement of the comparative information, which is reflected on the statement of financial position, with effect from the date of the business combination transaction.

Change in the presentation of Social Tariff costs

Within the scope of the regulatory changes verified in Spain in 2022, the Group has reassessed the accounting of the costs related to Social Tariff in its income statement. Due to the nature of these costs, it has been concluded that they should be accounted for as "Other expenses". In this sense, the costs related to social tariff incurred in 2021 were reclassified from the "Cost of energy sales and other" to "Other expenses" (amounting to 72,271 thousand Euros at 31 December 2021).

Change in the presentation of green certificates – Inventories

During 2022, the Group has reviewed its accounting policy relating to Green Certificates and RECs, based on decisions issued by the European Securities and Markets Authority (ESMA) regarding transactions of a similar nature. According to the analysis carried out, it has been concluded that these Certificates are considered government support in accordance with IAS 20 that must be accounted for under the caption "Revenues and cost of Energy Sales and Services and Other", with unsold certificates being recognised as inventories in accordance with IAS 2. In this sense, the Group proceeded to reclassify the amounts recognised under "Intangible assets" to "Inventories" (amounting to 157,532 thousand Euros at 31 December 2021 and 148,668 thousand Euros at 1 January 2021), since it has been concluded that this is the most appropriate presentation and the one that better reflects the nature of these assets, maintaining all other recognition and measurement criteria unchanged.

The preparation of financial statements in conformity with IFRS requires the Executive Board of Directors to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and related assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments regarding the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The issues involving a higher degree of judgment or complexity, or where assumptions and estimates are considered to be significant, are presented in note 4 – Critical accounting estimates and judgments in preparing the financial statements.

Accounting policies have been applied consistently by all Group companies and in all periods presented in the consolidated and company financial statements.

b) Basis of consolidation

The accompanying consolidated financial statements reflect the assets, liabilities and results of EDP, S.A. and its subsidiaries (Group or EDP Group) and the equity and results attributable to the Group, through the investments in associates and jointly controlled entities.

Controlled entities

Investments in subsidiaries where the EDP Group has control are fully consolidated from the date the Group assumes control over their financial and operating activities and/or over their assets and liabilities until the moment that control ceases to exist.

An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee, independently of the percentage of voting rights held.

Accumulated losses are attributed to non-controlling interests in the corresponding proportions held, implying that the Group can recognise negative non-controlling interests.

On a step acquisition process resulting in the acquisition of control the revaluation of any interest previously held is booked against the income statement when goodwill is calculated. On a partial disposal resulting in loss of control over a subsidiary, any participation retained is revalued at market value on the sale date and the gain or loss resulting from this revaluation is booked against the income statement, as well as any gain or loss resulting from the disposal.

Jointly controlled entities

EDP Group classifies an arrangement as a joint arrangement when the jointly control is contractually established. Joint control exists only when decisions about the relevant activities require the unanimous consent of the parties that collectively control the arrangement. After determining the existence of joint control, the Group classifies joint arrangements into two types – joint operation or joint venture.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets and obligations for the liabilities relating to the arrangement, so the assets and liabilities (and related revenues and expenses) in relation to its interest in the arrangement are recognised and measured in accordance with relevant IFRS applicable.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint ventures) have rights to the net assets of the arrangement, so these investments are included in the consolidated financial statements under the equity method.

The consolidated financial statements include the Group's attributable share of total reserves and profits or losses of joint ventures, included under the equity method. When the Group's share of losses exceeds its interest in a joint venture, its carrying amount is reduced to zero and recognition of further losses is discontinued, except to the extent that the Group has a legal or contractual obligation to cover such losses on behalf of that entity.

Entities over which the Group has significant influence

Investments in associates are included in the consolidated financial statements under the equity method from the date the Group acquires significant influence to the date it ceases. Associates are entities over which the Group has significant influence, but not control, over its financial and operating policies.

The existence of significant influence by the Group is usually evidenced by one or more of the following:

- Representation on the Executive Board of Directors or equivalent governing body of the investee;
- Participation in policy-making processes, including participation in decisions about dividends or other distributions;
- Existence of material transactions between the Group and the investee;
- Interchange of managerial personnel; and
- Provision of essential technical information.

The consolidated financial statements include the Group's attributable share of total reserves and profits or losses of associates, included under the equity method. When the Group's share of losses exceeds its interest in an associate, its carrying amount is reduced to zero and recognition of further losses is discontinued, except to the extent that the Group has a legal or constructive obligation to cover such losses on behalf of the associate.

Accounting for investments in subsidiaries, joint ventures and associates in the company's financial statements

Investments in subsidiaries, joint ventures and associates not classified as held for sale or not included in a disposal group which is classified as held for sale are accounted for at cost in the company's financial statements, and are subject to periodic impairment tests, whenever indication exists that certain financial investment may be impaired.

Goodwill

Following the transition to International Financial Reporting Standards (IFRS) on 1 January 2004 and as permitted under IFRS 1 – First-time Adoption of International Financial Reporting Standards, the EDP Group decided to maintain the goodwill resulting from business combinations that occurred prior to the transition date, calculated in accordance with the Group's previous accounting policies.

Costs directly attributable to the acquisition of a subsidiary are booked directly in the income statement.

As from the transition date to IFRS, total positive goodwill arising from acquisitions is recognised as an asset carried at acquisition cost and is not subject to amortisation. Goodwill arising on the acquisition of subsidiaries, joint ventures and associates is defined as the difference between the cost of acquisition and the corresponding share of the fair value of the net assets acquired.

The EDP Group has the possibility to book non-controlling interests at fair value or at cost, implying that the full amount of goodwill can be booked in the financial statements, including the portion attributable to the non-controlling interests, against non-controlling interests, if the first option is chosen. Goodwill arising on the acquisition of subsidiaries, joint ventures and associates is defined as the difference between the cost of acquisition and the total or corresponding share of the fair value of the net assets acquired, depending on the option taken.

Negative goodwill arising on an acquisition is recognised directly in the income statement in the period when the business combination occurs.

The recoverable amount of the goodwill is assessed annually, regardless of the existence of any impairment triggers. Impairment losses are recognised in the income statement. The recoverable amount is determined based on the value in use of the assets, calculated using valuation methodologies supported by discounted cash flow techniques, considering market conditions, the time value of money and the business risks.

Goodwill is not adjustable due to changes in the initial estimate of the contingent purchase price and the difference is booked in the income statement.

Purchases of non-controlling interests and dilution

In acquisitions (dilutions not resulting in a loss of control) of non-controlling interests, the difference between the fair value of the non-controlling interests acquired and the consideration paid, is accounted against reserves. The acquisitions of non-controlling interests through written put options related with investments in subsidiaries held by non-controlling interests, are recorded as a liability for the fair value of the amount payable, against non-controlling interests. The fair value of the liability is determined based on the contractual price which may be fixed or variable. In case of a variable price, the changes in the liability are recognised against the income statement as well as the effect of the financial discount of the liability (unwinding).

Investments in foreign operations

The financial statements of the foreign subsidiaries, joint ventures and associates of the Group are prepared using their functional currency, defined as the currency of the primary economic environment in which they operate. In the consolidation process, the assets and liabilities of foreign subsidiaries are translated into Euros at the official exchange rate at the balance sheet date.

Regarding the investments in foreign operations that are consolidated using the full consolidation method and equity method, the exchange differences between the amount of equity expressed in Euros at the beginning of the period and the amount translated at the official exchange rates at the end of the period, on a consolidated basis, are booked against reserves.

Foreign currency goodwill arising on the acquisition of these investments is remeasured at the official exchange rate at the balance sheet date directly against reserves.

The income and expenses of foreign subsidiaries are translated into Euros at the approximate exchange rates at the dates of the transactions. Exchange differences from the translation into Euros of the net profit for the period, arising from the differences between the rates used in the income statement and those prevailing at the balance sheet date are recognised in reserves.

On disposal of a foreign subsidiary, the related exchange differences previously recognised in reserves, are accounted for in the income statement.

Balances and transactions eliminated on consolidation

Inter-company balances and transactions, including any unrealised gains and losses on transactions between Group companies, are eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising on transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in those entities.

Business combinations achieved in stages

In a business combination achieved in stages, on the date of obtaining control, the excess of the aggregate of (i) the consideration transferred; (ii) the amount of any non-controlling interest recognised in the acquiree; and (iii) the fair value of the previously held equity interest in the acquired business; over the net of amounts of the identifiable assets acquired and liabilities assumed, is recognised as goodwill.

If applicable, the negative difference, after evaluating the consideration transferred, of the amount of any non-controlling interest recognised in the acquiree and the fair value of the previously held equity interest in the acquired business, over the net value of the identifiable assets acquired and liabilities assumed, is recognised in the income statement. The Group recognises the difference between the fair value of the previously held equity interest in the acquired business and the carrying value in consolidated results in Other income. Additionally, the Group reclassifies the deferred amounts in other comprehensive income relating to the previously held equity interest to the income statement or consolidated reserves, according to their nature.

c) Foreign currency transactions

Foreign currency transactions are translated at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency are translated into Euros at the exchange rates at the balance sheet date. These exchange differences arising on translation are recognised in the income statement as financial results.

Foreign currency non-monetary assets and liabilities accounted for at historical cost are translated using the exchange rates at the dates of the transactions. Foreign currency non-monetary assets and liabilities stated at fair value are translated into Euros at the exchange rates at the dates the fair value was determined.

d) Derivative financial instruments and hedge accounting

Derivative financial instruments are recognised on the trade date at fair value. Subsequently, the fair value of derivative financial instruments is remeasured on a regular basis, being the gains or losses on re-measurement recognised directly in the income statement, except for derivatives designated as cash flow hedging instruments. Recognition, in the income statement, of the resulting gains and losses on re-measurement of hedging derivatives depends on the hedge model used.

The fair value of derivative financial instruments corresponds to their market value, if available, or to quotes indicated by external entities through the use of valuation techniques accepted by the market, which are compared in each date of report to fair values available in common financial information platforms, namely Bloomberg and Reuters.

Hedge accounting

The Group uses financial instruments to hedge interest rate risk, exchange rate risk and price risk resulting from its operational and financing activities. Derivatives not qualified for hedge accounting under IFRS 9 are accounted for as trading instruments.

Hedging derivatives are recorded at fair value, being the gains and losses recognised in accordance with the hedge accounting model applied by the Group. Hedge relationship exists when:

- (i) The hedging relationship consists only of hedging instruments and hedged items that are eligible as per determined in IFRS 9;
- (ii) At the inception of the hedge there is formal documentation of the hedging relationship and the Group's risk management objective and strategy for the hedge;
- (iii) There is an economic relationship between the hedged item and the hedging instrument;
- (iv) The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- (v) The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged assets and liabilities or group of hedged assets and liabilities that are attributable to the hedged risk. For cross currency interest rate swaps, the currency basis spread is excluded from the hedge designation, but considered as a hedging cost in other comprehensive income, in cost of hedging reserve. When the hedging relationship ceases to comply with the requirements for hedge accounting, the accumulated gains or losses concerning the fair value of the risk being hedged are amortised over the residual period to maturity of the hedged item.

Cash flow hedge

Changes in the fair value of derivatives qualified as cash flow hedges are recognised in reserves.

The cumulative gains or losses recognised in reserves are reclassified to the income statement when the hedged item affects the income statement.

When a hedging relation of a future transaction is discontinued, if the transaction is still expected to take place, the changes in the fair value of derivative recognised in reserves remain recognised in reserves until the future hedged transaction occurs. When the future transaction is no longer expected to occur, the cumulative gains or losses recognised in reserves are recorded immediately in the income statement.

Net investment hedge

The net investment hedge model is applied on a consolidated basis to investments in subsidiaries in foreign currencies. This model allows that the exchange differences recognised in the currency translation reserve to be offset by the foreign exchange differences in foreign currency loans or currency derivatives contracted, recognised in Currency translation reserve – Net investment hedge. For cross currency interest rate swaps, the cross currency basis spread and forward points are not designated into the hedge relationship, but deferred as a hedging cost in other comprehensive income, in Currency translation reserve – Net investment hedge – Cost of hedging, and recognized in profit or loss over the period of the hedge. The ineffective portion of the hedging relationship is recognised in the income statement.

The accumulated foreign exchange gains and losses regarding the net investment and the related hedging instrument recognised in equity are transferred to the income statement when the foreign currency subsidiary is sold, as part of the gain or loss resulting from the disposal.

Effectiveness

For a hedge relationship to be classified as such, in accordance with IFRS 9, its effectiveness must be demonstrated. Therefore, the Group performs prospective tests at the inception date and at each balance sheet date, in order to demonstrate its effectiveness, showing that any adjustments to the fair value of the hedged item attributable to the risk being hedged are offset by adjustments to the fair value of the hedging instrument. Any ineffectiveness is recognised in the income statement when it occurs.

e) Debtors and Other assets

The financial assets are classified based on the business model for managing the financial assets ("business model test") and their contractual cash flow characteristics ("SPPI test"). EDP Group classifies its financial assets, at the initial recognition, in accordance with the aforementioned requirements introduced by IFRS 9, on the following categories:

Financial assets at amortised cost

A financial asset is measured at amortised cost if: (i) it is held within a business model whose objective is to hold assets in order to collect its contractual cash flows; and (ii) the contractual cash flows represent solely payments of principal and interest. Financial assets included within this category are initially recognised at fair value and subsequently measured at amortised cost. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Loans and trade receivables are generally held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest, thus they meet the criteria for amortised cost measurement under IFRS 9.

Financial assets measured at fair value through other comprehensive income (FVOCI)

A financial asset is measured at fair value through other comprehensive income if (i) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and (ii) the asset's contractual cash flows represent solely payments of principal and interest. Financial assets included within this category are initially recognised and subsequently measured at fair value, with the changes in the carrying amount booked in other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets that do not meet the criteria to be classified under the previously referred categories, are classified at fair value through profit or loss, deemed to be a residual category under IFRS 9.

Regardless of the business model assessment, EDP Group can elect to classify a financial asset at fair value through profit or loss if doing so reduces or eliminates a measurement or recognition inconsistency ("accounting mismatch").

Changes in the business model assessment over time

Financial assets are not reclassified subsequent to their initial recognition. However, if the Company changes its business model for managing financial assets, it will classify newly originated or newly purchased financial assets under the new business model, but will keep the classification of existing assets under the previous business model.

Recognition and derecognition of financial assets

Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Group commits to purchase or sell these financial assets.

Financial assets are derecognised when: (i) the Group contractual rights to receive their future cash flows have expired, (ii) the Group has transferred substantially the risks and rewards of ownership, or (iii) although retaining some, but not substantially all the risks and rewards of ownership, the Group has transferred control over the assets.

Impairment

EDP Group recognises an impairment loss based on the Expected Credit Loss (ECL) model, before the objective evidence of a loss event from past actions. This model is the basis for the recognition of impairment losses on held financial assets that are measured at amortised cost or at fair value through other comprehensive income (which includes cash and cash equivalents, trade receivables, loans and debt securities).

The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If the credit risk on a financial asset does not increase significantly since its initial recognition, EDP Group measures the loss allowance for that financial asset at an amount equal to 12-month expected credit losses. If the credit risk increases significantly since its initial recognition, EDP Group measures the loss allowance for that financial asset at an amount equal to lifetime expected credit losses.

Regardless of the above, a significant increase in credit risk is presumed if there is an objective evidence that the financial asset is impaired, including if there is observable data that comes to the attention of the holder of the asset about the following loss events, among others: significant financial difficulty of the issuer or obligor; restructuring of an amount due to the Group in terms that it would not consider otherwise; a breach of contract, such as a default or delinquency in interest or principal payments; or it becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

As soon as the loss event occurs in terms of IFRS 9, the impairment allowance would be allocated directly to financial asset affected, that is, the asset's carrying amount is reduced and the amount of the loss is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases, the previously recognised impairment loss is reversed in profit or loss, if the decrease can be related objectively to an event occurring after the impairment loss was recognised.

Trade receivables, including contract assets

EDP Group applies the simplified approach and records lifetime expected losses on all trade receivables and contract assets, including those with a significant financing component. The estimated ECL are calculated based on actual credit loss experience over a period that, per business and type of customers, is considered statistically relevant and representative of the specific characteristics of the underlying credit risk. When applicable, EDP Group estimated the ECL rates separately for corporates and individuals.

Considering the particularities of each business, exposures are segmented based on common credit risk characteristics such as credit risk grade, geographic region and/or industry – for corporates; and type of product purchased – for individuals, as applicable. Actual credit loss experience is adjusted by scalar factors to reflect differences between economic conditions during the period over which historical data was collected, current conditions and EDP Group's view of economic conditions over the expected lives of the receivables.

Other receivables and financial assets

For receivable assets related to regulatory assets, loans, financial entities and State carried at amortised cost and FVOCI, EDP Group performs an analysis based on the general approach. On making its assessment, the company has to make assumptions about risk of default and expected loss rates, which requires judgement. The inputs used for risk assessment and for calculation of the loss allowances for financial assets includes: (i) credit ratings (as far as available) from external credit rating companies such as Standard and Poors, Moody's and Fitch; (ii) significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower; (iii) public market data, namely on probabilities of default and loss given default expectations; and (iv) macroeconomic information (such as market interest rates or growth rates).

Leases – Lessor perspective

A lessor classifies each of its lease as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

At the commencement date, a lessor recognises assets held under a finance lease in its statement of financial position and present them as a receivable at an amount equal to the net investment in the lease.

A lessor recognises lease payments from operating leases as income on either a straight-line basis or another systematic basis (if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished). The assets subject to operating leases are presented in its statement of financial position according to the nature of the underlying asset.

f) Trade payables and other liabilities

An instrument is classified as a financial liability when there is a contractual obligation for the issuer to liquidate capital and/or interests, through delivering cash or other financial asset, regardless of its legal form. Financial liabilities are recognised at the issuance date (trade date): (i) initially at fair value less transaction costs; and (ii) subsequently at amortised cost, using the effective interest method. All financial liabilities are booked at amortised cost, with the exception of the financial liabilities hedged at fair value hedge, which are stated at fair value on risk component that is being hedged.

Derecognition of financial liabilities

EDP Group derecognises a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, the obligation specified in the contract is discharged, cancelled or expired. An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability, or a part of it, is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Initial measurement of the lease liabilities

As provided by IFRS 16, the lease liabilities on the commencement date are measured by the Group based on the present value of the future payments of that lease contracts, discounted using EDP Group's incremental borrowing rate for each portfolio of leases identified.

EDP Group determines the lease term as the non-cancellable period of a lease, together with both: (i) periods covered by an option to extend the lease, if the lessee is reasonably certain to exercise that option; and (ii) periods covered by an option to terminate the lease, if the lessee is reasonably certain not to exercise that option.

EDP Group applies the recognition exemption provided by IFRS 16 for the leases which lease term is 12 months or less, or that are for a low-value asset.

After the commencement date, the lease liabilities are increased to reflect interest on the liability and reduced to reflect the lease payments made.

Remeasurement of the lease liabilities

EDP Group remeasures the lease liabilities, and adjusts the corresponding right-of-use assets, by discounting the revised lease payments, using an unchanged discount rate, if either:

- i) there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments; or
- ii) there is a change in the amounts expected to be payable under a residual value guarantee.

If there is a lease modification that do not qualifies to be accounted as a separate lease, EDP Group remeasures the lease liabilities and adjusts the corresponding right-of-use assets, by discounting the revised lease payments, using a revised discount rate at the effective date of the modification.

The variable lease payments that do not depend in an index or a rate are not included in the measurement of the lease liabilities, nor the right-of-use asset. Those payments are recognised as cost in the period in which the event or condition that gives rise to the payments occurs.

g) Equity instruments

A financial instrument is classified as an equity instrument when there is no contractual obligation at settlement to deliver cash or other financial asset to another entity, regardless of its legal form, and there is a residual interest in the assets of an entity after deducting all its liabilities.

Costs directly attributable to the issuance of equity instruments are recognised in equity, as a deduction to the amount issued. Amounts paid or received relating to sales or acquisitions of equity instruments are recognised in equity, net of transaction costs.

Distributions related to equity instruments are deducted from equity, as dividends, when declared.

Preference shares issued by the Group are considered as an equity instrument when there is no contractual obligation to redeem the shares and dividends are paid at the discretion of the Group. Preference shares issued by subsidiaries, classified as equity instruments and held by third parties, are recognised as non-controlling interests.

Equity instruments at fair value

EDP Group classifies the equity instruments that are held for trading at fair value to profit or loss. For all other equity instruments, management has the ability to make an irrevocable election on initial recognition, on an instrument-by-instrument basis, to present changes in fair value in other comprehensive income.

If this election is made, all fair value changes, excluding dividends that are a return on investment, will be included in other comprehensive income. There is no recycling of amounts from other comprehensive income to profit and loss (for example, on sale of an equity investment) being, at that time, transferred to retained earnings.

h) Property, plant and equipment

Property, plant and equipment is stated at acquisition cost less accumulated depreciation and impairment losses. On transition to IFRS, on 1 January 2004, the Group decided to consider as deemed cost the revalued amount of Property, plant and equipment in accordance with the Group's previous accounting policy, which was comparable in general terms to the depreciated cost determined in accordance with IFRS.

Subsequent costs are recognised as Property, plant and equipment only when it is probable that future economic benefits associated with the item will flow to the Group. Repair and maintenance costs are charged in the income statement as incurred, according to the accrual principle.

The Group carries out impairment tests whenever events or circumstances may indicate that the book value of an asset exceeds its recoverable amount, being any impairment recognised in the income statement.

The recoverable amount is the higher of fair value less costs to sell and value in use, the latter being calculated by the present value of the estimated future cash flows obtained from continued use of the asset and its sale at the end of its useful life.

Land is not depreciated. Depreciation of tangible assets is calculated on a straight-line basis over their estimated useful lives, as follows:

	Number of years
Buildings and other constructions	8 to 50
Plant and machinery:	
- Hydroelectric generation	30 to 75
- Thermoelectric generation	25 to 45
- Renewable generation	30 to 35
- Electricity distribution	10 to 40
- Other plant and machinery	4 to 25
Transport equipment	4 to 25
Office equipment and tools	2 to 16
Other property, plant and equipment	3 to 50

According to IFRS, the estimate of the useful life of assets should be reviewed whenever a change in the expected economic benefits flowing from the assets occurs as well as when the technical use planned for the assets differs from previous estimates. Changes occurring in the depreciation charge for the year are accounted prospectively.

Capitalisation of borrowing costs and other directly attributable costs

Borrowing costs that are directly attributable to the acquisition or construction of assets are capitalised as part of the cost of these assets. A qualifying asset is an asset that needs a substantial period of time to be ready for its intended use or sale. The amount of interest costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on those assets. The capitalisation rate corresponds to the weighted average of the borrowing costs applicable to the outstanding borrowings during the period. The capitalisation of borrowing costs begins when expenditure for the assets is being incurred, borrowing costs have been incurred and activities necessary to prepare all or part of the assets for their intended use or sale are in progress. Capitalisation ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use or sale are completed. Other expenses directly attributable to the acquisition and construction of the assets, such as cost of consumed materials and personnel costs, are also capitalised as part of the cost of the assets.

Investment government grants

Investment government grants are initially booked as Trade payables and other liabilities from commercial activities - Non-Current only when there is reasonable certainty that the grant will be received and that the Group will fulfil the grant term conditions. Grants that compensate the Group for expenses incurred are booked in the income statement on a linear basis, on the same period in which the expenses are incurred. Grants that compensate the Group for the acquisition of assets are recognised in the income statement over the related assets useful life.

Transfers of assets from customers

Transfers of assets from customers concession arrangement and out of the scope of IFRIC 12, in accordance with IFRS 15, are related to payments of performance obligations fulfilled over the useful life of the underlying asset. Accordingly, when they are received from the customers, they are booked as liabilities instead of revenue. The assets are recognised by the estimated construction cost and are depreciated over their useful lives. The liabilities are recognised as revenue based on the corresponding useful life of the underlying asset.

i) Intangible assets

The Group's intangible assets are booked at acquisition cost less accumulated amortisation and impairment losses.

The Group performs impairment tests whenever events or circumstances may indicate that the book value of the asset exceeds its recoverable amount, being any impairment recognised in the income statement. The recoverable amount is the higher of fair value less costs to sell and value in use, the latter being calculated by the present value of the estimated future cash flows obtained from continued use of the asset and its sale at the end of its useful life.

Acquisition and development of software

The costs of purchasing software and the costs incurred by the Group to implement it are capitalised and amortised on a straight-line basis over the expected useful life of the asset.

Costs incurred by the Group directly related to the development of software, that are expected to generate economic benefits beyond one year, are recognised as intangible assets. Such costs include employee costs directly associated to the project and are amortised on a straight-line basis over its estimated useful life.

Software maintenance costs are charged to the income statement when incurred.

Concession rights on distribution of electricity

The concession rights on distribution of electricity in Brazil are recorded as intangible assets and amortised on a straight-line basis over the concessions period, not exceeding 30 years.

Concession rights to use the public hydric domain

Portuguese concession rights to use the public hydric domain are booked as intangible assets and depreciated on a straight-line basis over the concession period, which does not exceed 74 years. EDP Group records as concession rights the financial compensations for the use of public domain assets, whenever these compensations are paid and for all the Group subsidiaries.

The accounting policy related to intangible assets assigned to concessions in the scope of IFRIC 12 is described in z), Group concession activities.

Concession rights on generation of electricity

The concession rights on generation of electricity in Brazil are recorded as intangible assets and amortised on a straight-line basis over the concession period.

Industrial property and other rights

Industrial property and other rights are amortised on a straight-line basis over the estimated useful life of the assets, not exceeding 6 years.

j) Right-of-use assets

EDP Group presents the information related to lease contracts in the caption Right-of-use assets, in a separate line in the Statement of Financial Position. These assets are accounted for at cost less accumulated depreciation and impairment losses. The cost of these assets comprises the initial costs and the initial measurement of the lease liabilities, deducted from the prepaid amounts and any incentives received.

Depreciation of right-of-use assets is calculated on a straight-line basis over their estimated useful lives, considering the lease contract terms.

Remeasurement of right-of-use assets

If EDP Group remeasures the lease liability (see f)), the corresponding right-of-use assets shall be adjusted accordingly.

k) Investment property

The Group classifies as investment property, property held for capital appreciation and/or for rental purposes.

Investment property is recognised initially at acquisition or production cost, including directly attributable transaction costs, and is subsequently measured at cost less accumulated depreciation and any impairment losses.

Subsequent expenditures on investment property are only added to the cost of the asset when it is probable that additional future economic benefits will arise when compared to initial recognition.

Investment property is depreciated on a straight-line basis over the estimated useful life of the assets (between 8 and 50 years).

l) Inventories

Inventories are measured at the lower of acquisition cost and net realisable value. The cost of inventories includes purchases, conversion and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated selling costs.

The cost of inventories is determined by using the weighted average cost method.

CO2 Licenses held by the Group for trade purposes are booked as inventories and measured at fair value, at each balance sheet date, against the income statement.

The green certificates are considered government support in accordance with IAS 20 that are accounted for under the caption "Revenues and cost of Energy Sales and Services and Other", with unsold certificates being recognised as inventories in accordance with IAS 2.

m) Employee benefits

Pensions

Some EDP Group companies grant post-employment benefits to employees under defined benefit and defined contribution plans, namely pension plans that grant complementary retirement benefits for age and early retirement pensions.

Defined benefit plans

In Portugal, the defined benefit plan is assured by (i) a closed pension fund managed by an external entity, covering responsibilities with benefits that are complementary to those provided under the Social Security System (namely retirement and early retirement pensions); and (ii) by a complementary specific provision, recognised in the statement of financial position. Benefits are generally determined and assigned through the combination of one or more factors, such as age, years of service and the relevant base retribution (pensionable salary). The responsibilities for early retirement are not covered by the fund's assets, being adequately provisioned through a specific provision.

In Spain, the defined benefit plan is partially covered by insurance policies, and complemented by a specific provision, recognised at the balance sheet. Benefits are generally determined and assigned through the combination of one or more factors, such as age, years of service and the relevant base retribution (pensionable salary).

In Brazil, EDP São Paulo and EDP Espírito Santo have defined benefit plans managed by a closed complementary welfare entity, external to EDP Group, covering responsibilities associated with retirement and early retirement pensions, according to factors such as age, years of service and the relevant base retribution.

In the pension plans in Brazil, the surplus amount of the assets fund generally can not be reimbursed to the company, since there are very strict rules on the amount that can be recovered, therefore the asset amount to be recognised is greatly reduced.

The Group's pension liability for each plan is calculated by independent experts annually, for each plan, at the balance sheet date, using the projected unit credit method. The discount rate used in the calculation is determined based on market interest rates of high quality corporate bonds denominated in the currency in which the benefits will be paid and that have similar maturity to the related pension liability.

Actuarial gains and losses presented in consolidated statement of comprehensive income comprise: (i) the actuarial gains and losses resulting from increases or decreases in the present value of the defined benefit obligation because of changes in actuarial assumptions and experience adjustments; (ii) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and (iii) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

The increase in past service costs arising from early retirements (retirements before the normal retirement age) or plan amendments is recognised in the income statement when incurred.

The Group recognises as operational results, in the income statement, current and past service costs. Net interest on the net defined benefit liability (asset) is recognised in financial results.

The assets of the plan comply with the recognition criteria established by IFRIC 14 - IAS 19 and the minimum funding requirements established by law or by contract.

Defined contribution plans

Some Group companies in Portugal, Spain and Brazil have defined contribution social benefit plans that complement those granted by the Social Security System, under which they pay an annual contribution to the plans, calculated in accordance with the rules established in each plan. These contributions represent a percentage of the fixed and variable remuneration of the employees included in this plan and are accounted for as cost for the period in which they are due.

Other benefits granted – Defined Benefit Type

Medical benefits

Some EDP Group companies provide medical benefits under which employees and immediate eligible family members have favourable conditions in medical assistance and health care services, namely:

- Concerning EDP Group companies in Portugal, through the provision of medical assistance that is complementary to the one provided under the National Health System, provided using infrastructures owned and managed internally;
- Concerning EDP Group companies in Spain and Brazil, through the share of costs in eligible medical and health expenses, in an external agreed network.

In Portugal, the medical benefit and death benefits plan is assured by (i) a closed fund managed by an external entity, created in December 2016, and (ii) a complementary specific provision, recognised in EDP Group company's statement of financial position.

In Spain, the medical care and death subsidy benefits plan is partially covered by insurance policies, and complemented by a specific provision, booked in EDP Group company's statement of financial position.

In Brazil, the liability is being covered by provisions booked in EDP Group company's statement of financial position.

Measurement and recognition of the medical benefits liabilities are similar to the defined benefit pension plans liabilities, explained above.

Other benefits

In addition, EDP Group grants other benefits, supporting charges arising from responsibilities for disability benefit's complements, survival benefits, life insurance, antiquity and retirement benefits, power tariff discounts, among others. These responsibilities are fully covered by a provision.

Benefits included in each Plan for Portugal and Brazil are detailed in EDP's Collective Labor Agreement, published in the Labor Bulletin of 8 October 2014 and in the website of the Plan management entity Enerprev (www.enerprev.com.br), respectively.

n) Provisions

Provisions are recognised when: (i) the Group has a present legal, contractual or constructive obligation; (ii) it is probable that settlement will be required in the future; and (iii) a reliable estimate of the obligation can be made.

Provisions for dismantling and decommissioning in electric power plants

The Group accounts for provisions for dismantling and decommissioning of assets at the end of the assets' useful life when there is a legal, contractual or constructive obligation. Therefore, such provisions have been booked for the electric power plants to cover the cost of restoring the location and land to their original condition. The provisions are calculated at the present amount of the expected future liability and are accounted for as part of the cost of the related property, plant and equipment being depreciated on a straight-line basis over the useful life of those assets.

Decommissioning and dismantling provisions are remeasured on an annual basis based on the best estimate of the settlement amount. The unwinding of the discount at each balance sheet date is charged to the income statement.

o) Recognition of revenue from contracts with customers

EDP Group recognises revenue to depict the transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for these goods or services, as provided in the 5 steps methodology introduced by IFRS 15, namely: (i) identify the contract with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to performance obligations; and (v) recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue in EDP Group arises essentially from electricity generation and distribution and energy (electricity and gas) supply activities.

Revenue related to the **sale of energy and access tariffs** to energy distribution network is measured at fair value of the consideration received or receivable, net of value added tax, rebates and discounts and after elimination of intra-group sales.

Regarding the **electricity generation**, the transfer of control occurs when the energy is generated and injected into the transport/distribution grids. The electricity generated is sold under free market conditions or through the establishment of medium/long term power purchase agreements.

The **energy distribution** is a regulated activity, which is remunerated through tariffs set by each country Regulatory Body (Entidade Reguladora dos Serviços Energéticos (ERSE) in Portugal, Comisión Nacional de Energía (CNE) in Spain and Agência Nacional de Energia Elétrica (ANEEL) in Brazil). In Portugal and Spain, revenue arises mainly from the sale of access tariffs, as well as from the recovery, from the commercialisation entities, of the costs related to the global management activity of the system. In Brazil, revenue results from the electricity sales to final consumers, in the regulated market, based on the tariffs determined by ANEEL, which are included the use of the distribution and transport system tariff, among other components. In Portugal and Brazil, these activities are subject to public service concession arrangements (see z)).

Following the Directive 13/2018, of 15 December, on tariffs to be in force in 2019, and the premisses of IFRS 15, E-Redes – Distribuição de Eletricidade, S.A. acts as an agent in the purchase and sale of access to the transmission network (CVART) and therefore, as from this date onwards the associated amounts of costs and revenues are recorded at net value in the caption Revenues and cost of Energy Sales and Services and Other.

The **energy supply** is carried out in regulated and non-regulated markets. In non-regulated market, revenue is recognised based on commercial agreements. In regulated market, revenue is recognised according to the tariffs determined by each country Regulatory Body.

For contracts with customers in which the sale of energy and access tariffs are generally expected to be the only performance obligation, EDP Group recognises the revenue at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Revenue recognition includes two components: (i) energy sales already invoiced, based on actual consumption readings and/or in estimated consumption based on the historical data of each consumer; and (ii) estimates of energy supplied and not yet invoiced (energy into energy meter). Differences between estimated and actual amounts are recorded in subsequent periods.

For pluriannual contracts with customers for energy sales including a termination clause determined based on the estimated consumption and contractual set prices, revenue is recognised based on the "Input Method". Under this method, revenue is recognised according to the percentage of the contract execution and the corresponding contractual margin. The margin is reviewed annually, on a contract-by-contract basis, based on the updating of estimated energy supply volumes until the end of the contract.

Additionally, it should be noted that, in energy distribution and supply activities, there is a tariff adjustment mechanism through which gains or losses of a certain year are recognised in the period to which they relate and recovered in the future years tariffs – Tariff Adjustments (see w)).

EDP Group recognises the revenue related with **services rendered** over time in accordance with IFRS 15, given that the customer simultaneously receives and consumes the benefits provided by the Group.

EDP Group also sells products and services as a part of an **integrated commercial offer ("bundled")**. In a bundled sale arrangement, the Group accounts the sale of each product and/or service separately if they are distinct, that is, if the product or service is separately identifiable in the context of the integrated offer and the customer benefits from it. The consideration paid is allocated between the goods or services separately identifiable based on their relative stand-alone selling prices. The stand-alone selling price is determined based on EDP Group price lists on goods or services sold separately or, if they are not listed, based on the market valuation approach.

In what concerns variable transaction prices, EDP Group only recognises revenue when it is highly probable that there will not be any significant reversal of the recognised revenue, when it becomes certain.

EDP Group considers the facts and circumstances when analysing the terms of each contract with customers, applying the requirements that determine the recognition and measurement of revenue in a harmonized manner, when considering contracts with the same characteristics and in similar circumstances.

Contract liabilities

As provided by IFRS 15, EDP Group presents a contract liability if the Group has an obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Contract assets

As provided by IFRS 15, EDP Group presents a contract asset if the Group has a right to consideration that is conditional on something other than the passage of time. This is common when the Group has transferred goods or services to a customer usually before invoicing and the payment is due, excluding any amounts presented as a Trade receivables (unconditional rights to consideration).

Incremental costs of obtaining a contract

EDP Group establishes certain contracts with third parties for the promotion (sale) of energy and related services. These third parties act as sales agents and are paid through sales commissions. The Group recognises incremental costs of obtaining contracts with customers as an asset if the entity expects to recover these costs over the respective contracts. The costs incurred by an entity to obtain a contract with a customer are considered as incremental costs whenever it is clear that the entity would not incur these costs if the contract had not been obtained (for example, a sales commission).

Therefore, EDP Group understands that the incremental costs to obtain a contract are eligible for capitalisation, accounting for a contract asset under the caption Debtors and other assets of commercial activities – Non-current. This asset shall be recognised in the income statement as amortisation, on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Considering the analysis carried out on the set of goods and services provided by the EDP Group to which these commissions relate, the useful life allocated to them varies between 6 and 8 years.

p) Financial results

Financial results include interest costs on borrowings, interest income on funds invested, dividend income, foreign exchange gains and losses, realised gains and losses, changes in fair value of derivative financial instruments related to financing activity classified by the Group, within IFRS 9, as held for trading and consequently measured at fair value through profit or loss, and changes in the fair value of hedged risks, when applicable.

Interest is recognised in the income statement on an accrual basis. Dividend income is recognised on the date the right to receive is established.

Considering the accounting model provided by IFRS 16, the financial results includes the interest expenses (unwinding) calculated on the lease liabilities.

q) Income tax

Income tax recognised in the income statement includes current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is also recognised in equity.

Deferred taxes arising from the revaluation of assets (debt instruments) measured at fair value through other comprehensive income and cash flow hedge derivatives recognised in equity are recognised in the income statement in the period the results that originated the deferred taxes are recognised.

Current tax is the tax expected to be paid on the taxable income for the period, using tax rates enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred taxes are calculated in accordance with the balance sheet liability method, considering temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax basis, using the tax rates enacted or substantively enacted at the balance sheet date for each jurisdiction and that are expected to be applied when the temporary differences are reversed.

Deferred tax liabilities are recognised for all taxable temporary differences except for goodwill not deductible for tax purposes, differences arising on initial recognition of assets and liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries, to the extent that these will probably not be reversed in the future. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available to absorb deductible temporary differences for taxation purposes.

The compensation between deferred tax assets and liabilities is performed at each subsidiary, and therefore the consolidated financial statements reflect in its assets the total of the deferred tax of subsidiaries that have deferred tax assets and in its liabilities the total of the deferred tax of subsidiaries that have deferred tax liabilities.

The Group offsets, as established in IAS 12, the deferred tax assets and liabilities if, and only if:

- (i) the entity has a legally enforceable right to offset current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in future periods in which deferred tax liabilities or assets are expected to be settled or recovered.

When accounting for interest and penalties related to income taxes, EDP Group considers whether a particular amount payable or receivable is, in its nature, a taxable income and, if so, applies IAS 12 to this amount. Otherwise, IAS 37 is applied.

Regarding the IFRIC 23 regarding IAS 12 – Income tax, when there is uncertainty over income tax treatments, EDP Group measures its current or deferred tax asset or liability applying the requirements in IAS 12. Additionally, the Group analyses all the pending litigations or disputes with tax authorities regarding income tax and records contingency and litigation provisions whenever necessary.

r) Earnings per share

Basic earnings per share are calculated by dividing the consolidated and the company net profit attributable to the equity holders of EDP, S.A. by the weighted average number of ordinary shares outstanding during the period, excluding the average number of shares held by the Group and by EDP, S.A., respectively.

For the diluted earnings per share calculation, the weighted average number of ordinary shares outstanding is adjusted to consider conversion of all dilutive potential ordinary shares, such as convertible debt and stock options granted to employees. The dilution effect corresponds to a decrease in earnings per share resulting from the assumption that the convertible instruments are converted or the options granted are exercised.

s) Share based payments

The stock options remuneration program enables the Group's employees to acquire parent company shares. The exercise price of the options is calculated based on the listed price of the shares at the grant date.

The fair value of the options granted, determined at the grant date, is recognised in the income statement against equity during the vesting period, based on their market value calculated at the grant date.

In case the option is exercised, the Group acquires shares in the market to grant them to employees.

Shareholders of EDP Brasil structured and implemented a Share based Compensation Policy, which began in June 2016. The referred policy comprises two types of programs to be granted to certain employees (incentive and retention programs), being the eligible beneficiaries and assignment requirements subject to the conditions established.

t) Non-current assets held for sale and discontinued operations

Non-current assets or groups of non-current assets held for sale (groups of assets and related liabilities that include at least one non-current asset) are classified as held for sale when their carrying amounts will be recovered mainly through sale, the assets or groups of assets are available for immediate sale and its sale is highly probable.

The Group also classifies as non-current assets held for sale, non-current assets or groups of assets acquired exclusively for its subsequent resale, that are available for immediate sale and its sale is highly probable.

Prior to their classification as held for sale, the measurement of all non-current assets and all assets and liabilities included in a disposal group, is adjusted in accordance with the applicable IFRS standards. Subsequently, these assets or disposal groups are measured at the lowest between their carrying amount and fair value less costs to sell.

u) Cash and cash equivalents

Cash and cash equivalents include balances with maturity of less than three months from the contract date, including cash and deposits in banks. This caption also includes other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and specific demand deposits in relation to institutional partnerships that are funds required to be held in escrow sufficient to pay the remaining construction related costs of projects in institutional equity partnerships.

On a company basis, EDP S.A. classifies as Cash and cash equivalents the current account balances with Group companies formalized through Cash Pooling Agreements (Group's financial system).

v) Operating segments

The Group presents the operating segments based on internal management information.

In accordance with IFRS 8, an operating segment is a Group component:

- (i) that engages in business activities from which it may earn revenues and incur expenses;
- (ii) whose operating results are reviewed regularly by the entity's chief operating decision maker in order to make decisions about resources to be allocated to the segment and assess its performance; and
- (iii) for which discrete financial information is available.

w) Tariff adjustments

Classification and measurement of regulatory assets, which qualify as financial assets in EDP Group's financial statements, is analysed based on the business model used in the management of the assets and the characteristics of the contractual cash flows (see e)).

In this sense, deviations and tariff deficits exclusively recovered or returned through electricity and gas tariffs, applicable to customers in subsequent periods, are recognised at amortised cost.

On the other hand, deviations or deficits that can be recovered, either through electricity rates (receipt of capital and interest) or through sales with recourse to third parties (bilateral contracts or securitization operations) are recognised at fair value through comprehensive income. This classification results from the existing history of sales to third parties and from the management's perspective regarding the existing assets.

In regulated activities, the regulator establishes, through the tariff adjustment mechanism, the criteria to recognise gains or losses of one period in future periods. The tariff adjustments accounted for in the EDP Group financial statements represent the difference between the amounts invoiced by Portuguese regulated companies (based on the applicable tariffs published by ERSE in December of the previous year) and the regulated revenue calculated based on actual costs. The assets or liabilities resulting from the tariff adjustments are recovered or returned through the electricity and gas tariffs charged to customers in subsequent periods.

Decree-Law 165/2008 of 21 August recognised the unconditional right of the regulated operators of the electric sector to recover the tariff adjustments under a regime identical to the one used for the tariff deficits. Consequently, EDP Group booked under the income statement caption Revenues from energy sales and services and other – Energy and access, the effects resulting from the recognition of tariff adjustments, against Debtors and other assets from commercial activities. According to the referred Decree-Law, the tariff adjustments determined annually, will be recovered by the regulated operators even in case of insolvency or cease of operations. ERSE is the entity responsible to establish the method to ensure that the entity entitled to these rights continues to recover the tariff adjustments until its complete payment. The Decree-Law also allows the transfer of the right to receive the tariff adjustment to third parties, in whole or in part, through future electricity tariffs.

Decree-Law 87/2011 of 18 July establishes the unconditional right of regulated operators in the natural gas sector to recover tariff adjustments and related interest expenses, notwithstanding the form of the future payment or situations of insolvency and cessation of operations, and allows the transfer to third parties of the right to receive tariff adjustments. The EDP Group recorded in the income statement, under the caption Revenues from energy sales and services and other – Gas, the effects of the recognition of tariff adjustments of Natural Gas, against Debtors and other assets from commercial activities and Trade payables and other liabilities from commercial activities.

x) CO2 Licenses and greenhouse gas emissions

The Group holds CO2 Licenses in order to deal with gas emissions resulting from its operational activity and Licenses for trading. The CO2 and gas emissions Licenses held for its own use are booked as intangible assets at the acquisition cost. CO2 licenses consumption is recorded in accordance with the weighted average price of the CO2 and gas emissions Licenses held for consumption in that year.

The Licenses held by the Group for trading purposes are booked under Inventories (see I)).

y) Statement of Cash Flow

The Statement of Cash Flow is presented under the indirect method, by which gross cash flows from operating, financing and investing activities are disclosed.

The Group classifies cash flows related to interest and dividends paid as financing activities and interest and dividends received as investing activities.

z) Group concession activities in the scope of IFRIC 12

EDP Group applies IFRIC 12 to the public-private concession contracts in which the public entity controls or regulates the services rendered through the utilisation of certain infrastructure as well as the price for such services and also controls any significant residual interest in the infrastructure. The infrastructures allocated to concessions are not recognised by the operator as property, plant and equipment or as financial leases, as the operator does not control the assets. These infrastructures are recognised according to one of the following accounting models, depending on the type of remuneration commitment of the operator assumed by the grantor within the terms of the contract:

Financial Asset Model

This model is applicable when the operator has an unconditional right to receive certain monetary amounts regardless of the level of use of the infrastructure within the concession and results in a financial asset recognition, booked at amortised cost.

Intangible Asset Model

This model is applicable when the operator, within the concession, is remunerated on the basis of the level of use of the infrastructure (demand risk) and results in an intangible asset recognition.

Mixed Model

This model is applicable when the concession includes simultaneously guaranteed remuneration and remuneration based on the level of use of the infrastructure within the concession.

Intangible assets within concessions are amortised over their respective useful lives during the concession period.

The Group carries out impairment tests to the intangible assets within concessions whenever events or circumstances may indicate that the book value of an asset exceeds its recoverable amount, being any impairment recognised in the income statement.

Grants received from customers related to assets within concessions are delivered to the Group on a definitive basis, and, therefore, are not reimbursable. These grants are deducted from the value of the assets allocated to each concession.

The concession contracts that currently exist in EDP Group are mainly based in the Intangible Asset Model, namely in the electricity special regime production concessions (PRE) in Portugal and in the Mixed Model, namely in the electricity distribution concessions in Portugal and in Brazil.

aa) Institutional partnerships in North America

The Group has entered in several partnerships with institutional investors in North America (EDPR NA), through operating agreements with limited liability companies that apportion the cash flows generated by the wind farms between the investors and the Company and allocates the tax benefits, which include Production Tax Credits (PTCs), Investment Tax Credits (ITC) and accelerated depreciation, largely to the investor.

The institutional investors purchase their minority partnership interests for an upfront cash payment with an agreed targeted internal rate of return over the period that the tax credits are generated. This anticipated return is computed based on the total anticipated benefit that the institutional investors will receive and includes the value of PTC's / ITC's, allocated taxable income or loss and cash distributions received.

The control and management of these wind farms are a responsibility of EDP Group and they are fully consolidated in these financial statements.

The financial instruments held by the institutional investors issued by the partnerships represent compound financial instruments as they contain characteristics of both financial liabilities and equity. The Group has determined that at the funding dates, the fair values of the original proceeds is equal to the fair values of the liabilities at that time and no value was assigned to the equity component. Subsequently, these liabilities are measured at amortized cost.

This liability is reduced by the value of tax benefits provided and cash distributions made to the institutional investors during the contracted period. The value of the tax benefits delivered, primarily accelerated depreciation and ITC are recognised as Income from institutional partnerships on a pro-rata basis over the useful life of the underlying projects and, from 1 January 2021 onwards, over the 5-year recapture period, respectively (see note 8). The value of the PTC's delivered are recorded as generated. This liability is increased by an interest accrual that is based on the outstanding liability balance and the targeted internal rate of return agreed.

After the flip date, the institutional investor retains a non-significant interest for the duration of the structure. This non-controlling interest is entitled to distributions ranging from 2.5% to 10% and taxable income allocations ranging from 5% to 10%. EDPR NA has an option to purchase the institutional investor's residual interest at fair market value during a defined period following the flip date. Post flip non-controlling interests is the portion of equity that is ascribed to the institutional investor in the institutional equity partnership at flip date. This amount is reclassified from the total equity attributable to the Parent to non-controlling interests caption in the period in which the flip date takes place.

ab) Disposal of assets under Asset Rotation strategy

The Asset rotation strategy allows EDP Group to crystallize the value of a project by selling with loss of control, and reinvesting the proceeds in another projects, targeting greater growth. Typically, the developer retain the role of O&M supplier. The gains on disposals under this strategy are recognised in the caption Other income.

3. Recent accounting standards and interpretations issued

Standards, amendments and interpretations issued effective for the Group

The amendments that have been issued and that are already effective and that the Group has applied on its financial statements, with no significant impacts, are the following:

- IFRS 3 (Amended) – Reference to the Conceptual Framework;
- IAS 16 (Amended) – Proceeds before Intended Use;
- IAS 37 (Amended) – Onerous Contracts – Cost of Fulfilling a Contract; and
- Annual Improvement Project (2018–2020).

Standards, amendments and interpretations issued but not yet effective for the Group

The standards, amendments and interpretations issued but not yet effective for the Group (whose effective application date has not yet occurred or, despite their effective dates of application, they have not yet been endorsed by the EU), which impact is being evaluated, are the following:

- IAS 12 (Amended) – Deferred tax related to assets and liabilities arising from a Single Transaction

The IASB amended IAS 12 – Income taxes, to clarify the recognition of deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

The amendments target the recognition of deferred tax assets and liabilities in respect of:

- Right-of-use assets and Lease liabilities; and
- Provisions for dismantling and decommissioning and the corresponding amounts recognised as part of the cost of the related asset.

Within the adoption of these amendments, effective on 1 January 2023, EDP Group has analysed the potential impacts. As of 31 December 2022, EDP Group has recognised in its Consolidated Statement of Financial Position the net deferred tax assets and liabilities regarding dismantling and lease liabilities for those jurisdictions where those amounts are not deductible until the payment date. Therefore, on 1 January 2023, EDP Group will breakdown these net deferred tax assets and liabilities regarding dismantling and lease liabilities, whenever applicable, being estimated an increase between 223 and 243 million Euros in the captions Deferred tax assets and Deferred tax liabilities.

- IFRS 17 – Insurance Contracts (and amendments related to initial application and comparative information)

In preparation of the adoption of IFRS 17, effective as of 1 January 2023, the EDP Group carried out an analysis of the contracts of the subsidiary Energia RE – Sociedade Cativa de Resseguro. From the analysis performed, it was concluded that all contracts are eligible, and thus classified, within the Premium Allocation Approach (simplified model) measurement method provided for in IFRS 17. Thus, no material accounting impacts were determined for the EDP Group resulting from the adoption of IFRS 17, in replacement of IFRS 4.

The standards, amendments and interpretations issued but not yet effective for the Group (whose effective application date has not yet occurred or, despite their effective dates of application, they have not yet been endorsed by the EU) for which no significant impact is expected, are the following:

- IAS 1 (Amended) – Classification of Liabilities as Current or Non-current;
- IAS 1 (Amended) – Disclosure of Accounting Policies;
- IAS 8 (Amended) – Definition of Accounting Estimates; and
- IFRS 16 (Amended) – Lease liability in a sale and leaseback.

4. Critical accounting estimates and judgements in preparing the financial statements

IFRS requires the use of judgement and the making of estimates in the decision process regarding certain accounting treatments, with impact in total assets, liabilities, equity, costs and income. The actual effects may differ from these estimates and judgements, namely in relation to the effect of actual costs and income.

The main accounting estimates and judgements used in applying the accounting policies are discussed in this note in order to improve the understanding of how its application affects the Group's reported results and disclosures. A broader description of the accounting policies employed by the Group is disclosed in note 2 – Accounting policies.

Considering that in many cases there are alternatives to the accounting treatment adopted by EDP Group, the reported results could differ if a different treatment was chosen. The Executive Board of Directors believes that the choices made are appropriate and that the financial statements present fairly the Group operations in all material respects.

Financial asset related with infrastructure concession contracts in Portugal

The caption "Amounts receivable from concessions – IFRIC 12", refers to the financial assets receivable by EDP Group companies that operate infrastructures under concession contracts, and arises from the unconditional right to receive this amount regardless of the utilisation level of the infrastructures covered by the concession. In these companies is included E-Redes – Distribuição de Eletricidade, S.A. as the National Distribution Network (RND) concessionaire, which comprises the medium and high voltage network (MT and HT), and low voltage distribution networks (LT), being these concessions exercised exclusively through public service concession contracts.

The RND's operation, which is part of the HT and MT, is carried out through a public service concessions' attribution, by the Portuguese State. On the other hand, the right to distribute low voltage electricity is attributed to the Portuguese mainland municipalities. The legislation that establishes the basis of each concession sets up that the ownership or possession of the goods assigned to these concessions revert to the concessionaires at the end of their respective concessions. They also establish that in return for the assets returned to grantors, whether State or municipalities, compensation corresponding to the assets' book value assigned to the concession, net of amortisations, financial contributions and non-refundable subsidies will be paid. Therefore, the assets' estimated residual value at the end of each concession constitutes a financial asset, and the remaining fair value component of the concession assets is an intangible asset to be amortised over its useful life. Hence, the end date of each concession is one of the main assumptions to determine the amount of the financial and intangible assets.

In May 2017 Law 31/2017 was approved, which lays down the principles and general rules concerning the organisation of public tendering procedures for the awarding, by contract, of the municipal LT concessions' operation in the Portuguese mainland. This Law foresees the simultaneous launch, in 2019, of public tender procedures for all municipalities that do not opt for direct management of the electricity distribution activity.

However, the new Decree-Law 15/22, of January 2022, determined the automatic extension, without the need for further terms, of the current concession contracts for electricity distribution networks in BT, including those that had already reached their term, until the effective entry into operation of a new contractor, following the tenders for the attribution of BT concessions that will be held in the future. On the other hand, there is currently no set date in the legislation for the holding of future tenders for the attribution of BT concessions.

In this context, at this date it is not yet possible to predict the end date of the low voltage concession contracts currently in force, so an annual extension of contracts that have already reached the originally planned end date is assumed. Thus, with reference to 31 December 2022, the financial asset and the intangible asset related to the concessions whose contracts have not yet ended were determined based on the respective expiry dates and, for the remaining concessions, the financial asset and the intangible asset are determined assuming the validity of the contracts until 31 December of the year following the year in question.

Measurement criteria of the concession financial receivables under IFRIC 12 in Brazil

In 2012, the Provisional Measure 579/12 was published in Brazil, meanwhile converted into Law 12.783/13, which determines that the amount of the indemnisation payable to the distribution companies regarding the assets not amortised or depreciated at the end of each concession, should be determined based in the methodology of the Value of Replacement as New (VNR). The indemnisation amount variation is booked against Revenues from energy sales and services and other. This amount corresponds to the difference between the residual value determined based on the value of replacement as new and the residual value determined based on the historical cost.

ANEEL reviews the VNR, through the valuation report of the Regulatory Remuneration Base, every three years for EDP Espírito Santo and every four years for EDP São Paulo, as established in the concession contracts. Within these periods the distribution companies use their best estimate for the VNR. The use of different assumptions could result in different values of financial assets, with the consequent impact in the Statement of Financial Position (see note 26).

Impairment of long term assets and Goodwill

Impairment tests are performed whenever there is a trigger that the recoverable amount of property, plant and equipment and intangible assets is less than the corresponding net book value of the assets.

On an annual basis, the Group reviews the assumptions used to assess the existence of impairment in goodwill resulting from acquisitions of shares in subsidiaries. The assumptions used are sensitive to changes in macroeconomic indicators and business assumptions used by management. The investments in subsidiaries, on a company basis, and in associates are reviewed when circumstances indicate the existence of impairment.

Considering the uncertainties regarding the recoverable amount of property, plant and equipment, intangible assets and goodwill as they are based on the best information available, changes in the assumptions could result in changes on the determination of the amount of impairment and, consequently, in results (see notes 12 and 19).

Measurement of the fair value of financial instruments

Fair values are based on listed market prices, if available. Otherwise, fair value is determined either by the price of similar recent transactions under market conditions, or determined by external entities, or based on valuation methodologies, supported by discounting future cash flows techniques, considering market conditions, time value, yield curves and volatility factors. These methodologies may require the use of assumptions or judgements in determining fair values.

Consequently, the use of different methodologies and different assumptions or judgements in applying a particular model, could generate different financial results from those reported.

Classification of financial instruments

Financial instruments' classification as debt or equity requires judgement in the interpretation of contractual clauses and in the evaluation of the existence of a contractual obligation to deliver cash or other financial assets.

Review of the useful life of the assets

The Group reviews annually the reasonableness of the assets' useful lives that are used to determine the depreciation rates of assets assigned to the activity. When applicable, the Group changes the depreciation charge of the year, prospectively, based on such review.

Useful lives of generation assets – Hydro independent generator in Brazil

The hydro generation assets in Brazil for independent generators are amortised during their estimated useful lives, considering the existing facts and circumstances at the date of preparation of the financial statements. This includes, among other issues, EDP's best expectations of the useful lives of such assets, which are consistent with the useful lives defined by ANEEL, the respective contractual residual indemnification values at the end of each concession period, as well as related technical and legal opinions. The remaining period of amortisation and the indemnification values at the end of the concessions may be influenced by changes in the regulatory legal framework in Brazil (see note 16).

Lease Liabilities

The Group recognises right-of-use assets and lease liabilities, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: i) the contract involves the use of an identified asset; ii) it has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and iii) it has the right to direct the use of the asset. EDP Group uses judgement on its assessment, namely concerning the termination and extension contract options and the determination of the incremental borrowing rate to be applied for each portfolio of leases identified (see notes 17 and 39).

Tariff adjustments

Portugal

Tariff adjustments in Portugal represent the difference between costs and income of the National Electricity, estimated at the beginning of each period for purposes of calculating the tariff, and the actual costs and income of the System established at the end of each period. The tariff adjustments assets or liabilities are recovered or returned through electricity and gas tariffs to customers in subsequent periods.

Decree-Law 237-B/2006 of 19 December, and Decree-Law 165/2008 of 21 August, recognised an unconditional right of the operators of the electricity sector to recover the tariff adjustments and related interest expenses, notwithstanding the form of the future payment or situations of insolvency and cessation of operations. Additionally, the legislation allows the transfer to third parties of the right to receive tariff adjustments. Therefore, under this legislation, regulated companies may provide to third parties, in whole or in part, the right to receive the tariff adjustments through the electricity tariffs. In accordance with the accounting policy in force, the EDP Group books under the caption Revenues from energy sales and services and other – Electricity and network access, the effects of the recognition of tariff adjustments in the electricity sector, against Debtors and other assets from commercial activities and Trade payables and other liabilities from commercial activities.

Brazil

On 25 November 2014, ANEEL made addendums to the concession contracts with Brazilian electric distribution companies to reduce significant uncertainties regarding to the recognition and realization of regulatory assets/liabilities that existed since 2010, when the IFRS were adopted in Brazil. As a consequence, the CPC ("Comitê de Pronunciamentos Contábeis") issued on 28 November 2014, the OCPC 08 (Recognition of Certain Assets and Liabilities in Accounting and Financial Reports of Electric Distribution) which determines how to treat these regulatory assets/liabilities in the financial statements.

Therefore, on 10 December 2014, EDP Brasil signed the Fourth and Fifth Addendum to the Concession Agreement, where it was established that, in the case of concession termination, the outstanding balances of any failure of payment or reimbursement by the tariff (assets and liabilities), will be considered on the indemnity calculation, based on the regulator pre-established regulations.

EDP Group considers, based on the issued legislation (Portugal and Brazil), that the requirements for the recognition of tariff deficits as receivables and payables against the income statement of the period have been satisfied (see notes 7, 26 and 38).

Revenue recognition

Energy sales revenue is recognised when the monthly energy invoices are issued, based on actual meter readings or estimated consumption based on the historical data of each consumer. Revenue relating to energy to be invoiced, regarding consumption up to the balance sheet date but not measured, is booked based on estimates that take into consideration factors such as consumption in prior periods and analysis relating to the energy balance of the operations.

The use of different estimates and assumptions could affect the Group's revenue and, consequently, its reported results (see note 7).

Income taxes

The Group is subject to income taxes in several jurisdictions. Certain interpretations and assumptions are required in determining the global amount of income tax.

There are several transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. It is the Group's understanding that, in general, the tax treatment follows the accounting treatment, and therefore, no significant tax adjustments have been made to the accounting records arising from the implementation of the new standards. Different interpretations and assumptions could result in a different level of income taxes, current and deferred, recognised in the period (see note 14).

Pensions and other employee benefits

Determining pension and other employee benefits liabilities requires the use of assumptions, including actuarial projections, estimated rates of return on investments, discount rates and pension and salary growth and other factors that can impact the cost and liability of pension plans, medical plans and other benefits. Changes in the assumptions could materially affect the amounts determined (see note 35).

Provisions for dismantling and decommissioning of power generation units

EDP considers to exist legal, contractual or constructive obligations to dismantle and decommission property, plant and equipment assets allocated to electricity generation operations. The Group records provisions in accordance with existing obligations to cover the present value of the estimated cost to restore the locations and land where the electricity generation units are located. EDP Group provisions include the calculation of the present value of the expected future liabilities.

The use of different assumptions and judgement from those referred could lead to different financial results than those considered (see note 36).

Entities included in the consolidation perimeter

In order to determine which entities must be included in the consolidation perimeter, EDP Group evaluates whether it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee ("de facto" control).

This evaluation requires the use of judgement and assumptions in order to conclude whether the Group is in fact exposed to the variability of returns and has the ability to affect those returns through its control over the investee.

Other assumptions and judgements could lead to a different consolidation perimeter of the Group, with direct impact on the consolidated financial statements (see note 6).

Business combination

Under IFRS 3 (Business Combination) in a business combination, the acquirer shall recognise and measure in the consolidated financial statements the assets acquired and liabilities assumed at fair value at the acquisition date. The difference between the purchase price and the fair value of the assets and liabilities acquired leads to the recognition of goodwill or a gain from a purchase at a low price (bargain purchase).

The fair value determination of the assets acquired and liabilities assumed is carried out internally or by independent external evaluators, using the discounted cash flows method, using the replacement cost or other fair value determination techniques, which rely on the use of assumptions including macroeconomic indicators such as inflation rates, interest rates, exchange rates, discount rates, sale and purchase prices of energy, cost of raw materials, production estimates and business projections. Consequently, the determination of the fair value and goodwill or gain from a purchase at a low price is subject to numerous assumptions and judgments and therefore changes could result in different impacts on results (see note 49).

Fair value measurement of contingent consideration

Contingent consideration from a business combination or a sale of a financial investment is measured at fair value at the acquisition date as part of the business combination or at the date of the sale in the event of a sale of a financial investment. This contingent consideration is subsequently remeasured at fair value at each report date. Fair value is based on discounted cash flows. The main assumptions consider the probability of achieving each objective and the discount factor, corresponding to the best estimates of management at each report date. Changes in assumptions could have significant impact on the values of contingent assets and liabilities recognised in the financial statements (see notes 27 and 39).

Acquisition of assets out of the scope of IFRS 3

In order to assess whether an acquisition of an asset or a group of assets is a business, the Group identifies the elements in the acquired entity (inputs, processes and outputs), assesses the capability to create outputs (it should have at a minimum, an input and a substantive process to be assessed as a business) and, finally, assesses the capability of market participants to continuing to create outputs (conducting the activities as a business).

In the case of an integrated set of activities that is in an early-stage of development and has not started to generate outputs, the Group considers other factors to determine whether it constitutes a business, such as if: (i) planned principal activities have begun; (ii) employees, intellectual property, and other inputs and processes are present; (iii) a plan to produce outputs is being pursued; and/or (iv) access to customers who will purchase the outputs can be obtained. Generally, an early-stage entity that has employees capable of developing an output will be considered a business.

Therefore, in application of the above, the Group concludes that IFRS 3 is not applicable when there are no outputs at the acquisition date due to an early-stage of development, and the acquired process(es) cannot be considered substantive. Thus, the acquisition of an asset or a group of assets that does not fulfill the conditions to be considered a business is classified as an acquisition of a company out of scope of IFRS 3.

Contractual stability compensation – CMEC

The approval in 2004 of the Decree-Law 240/2004, of 27 December, determined the early Power Purchase Agreements (PPA) extinction, and the adoption of a contractual stability compensation (CMEC), which EDP Produção entered into after signing the Contractual stability on 27 January 2005, approved by the competent Government member (Order 4672/2005, of 4 March).

This mechanism includes three types of compensation: initial compensation, annual adjustment (or revisibility) and final adjustment. The last two types of compensation are relevant for this purpose.

i) Contractual stability compensation – Annual revisibility mechanism

During period I (2007/2017) of the contractual stability compensation mechanism, there was a correction on an annual basis, resulting from positive or negative deviations between the estimates made for the initial stability compensation calculation and actual amounts arising from an efficient performance, using the "Valorágua" model, as established in the Decree-Law 240/2004. Later, Order 4694/2014 was published to define the guidelines of the annual revisibility calculation with respect to the revenues from the ancillary services market, regarding power plants under CMEC.

Revisibility amounts for the years 2007 to 2014 were determined and approved by the Member of the Government responsible for the energy sector, and were contested by EDP Produção:

- a) As regards the approval of the 2011 and 2012 revisibilities, the fact that it did not consider the costs incurred with the social tariff in the calculation of the revisibilities; and
- b) As regards the approval of the 2014 revisibility, the fact that it did not take into account in the calculation of the revisibility the costs incurred with the social tariff and CESE.

Regarding the revisibility to the year 2012, the Administrative Court dismissed the special administrative action brought by EDP Produção, not recognizing the costs with the financing of the Social Tariff for the determination of the amount of the annual adjustment of the CMEC relating to 2012. EDP Produção, not agreeing with the decision, filed, on 9 January 2023, an Appeal, with suspensive effect, to the Southern Central Administrative Court.

The annual revisibility of 2015 was approved by the Government member responsible for the energy sector in 20 October 2020 in the amount of 62.7 million Euros, after deducting an amount of 72.9 million Euros related to the alleged overcompensation of CMEC, due to their participation in the ancillary services market, in the period between 2009 and the first quarter of 2014 (see section Ancillary Services). EDP Produção challenged the order for ratifying the annual revisibility for the year 2015 on 19 January 2021, as it did not agree with the assumption of overcompensation within the scope of its performance in the system services market, between 2009 and 2014 and, consequently, do not agree with the deduction of the underlying value (72.9 million Euros) in that revisibility. It should also be noted that EDP Produção has already contested the imposition of a fine by the Competition Authority on matters of the same scope. The challenge also covered the non-consideration of the Social Tariff and CESE amounts paid by the centrals operating under the CMEC regime and also the non-approval of the annual revisibilities from 2016 to 2017, which still await the respective approval by the Government member responsible for the area of energy.

ii) Contractual stability compensation – Final Adjustment

The CMEC's Final Adjustment is calculated in accordance with number 7 of article 3rd and Annex IV of Decree-Law 240/2004, of 27 December. The State budget for 2017 (Law 42/2016 of 28 December) determined, in its article 170, that the final adjustment amount is determined and based on a study prepared and presented by ERSE. This entity had the technical support of EDP Produção and REN (Work Team), legally enforced.

Accordingly, the technical group EDP/REN has presented to ERSE its report on the CMEC final adjustment calculation, which was achieved by strictly following the calculation methodology described in Decree-Law 240/2004, of 27 December. This calculation, performed by the technical group EDP/REN was presented to ERSE and comes to a range of amounts between 256.5 and 271 million Euros.

At the end of September 2017, ERSE has also presented to the Government its report on the calculation of the CMEC final adjustment, reaching an amount of 154 million Euros, which was provisionally considered in the document of Tariffs and Prices for 2018.

In the Financial statements as at 31 December 2017, EDP Group has included its best estimate of the CMEC final adjustment, by recognising an asset in the amount of 256.5 million Euros against deferred income, based on the methodology established for this purpose in Decree-Law 240/2004, of 27 December, and in the legal opinions obtained in the meantime on this understanding.

On 3 May 2018, EDP was notified (through a DGEG's letter from 25 April 2018) that the CMEC final adjustment had been officially approved, according to ERSE's proposal, in the amount of 154 million Euros. EDP reflected this reality in its financial statements as of 31 December 2018, recognising a provision by the difference in the final adjustment amounts already recognised in the Group's revenues. On 31 December 2021 EDP maintains the provision in its accounts (see note 36).

Considering that the administrative act contained in the Dispatch of approval of the SSE of 25 April 2018 lacks technical, economic and legal basis, and that, in particular, it does not apply the calculation methodology contained in Decree-Law 240/2004, of 27 December, and which would lead to the determination of an amount close to the one determined by the technical group, on 3 September 2018, EDP Produção has legally contested it.

"Clawback" – Portuguese regulatory mechanism to ensure the competitive balance in the wholesale electricity market, in particular Iberian

Following some tax changes occurred in Spain, which affected electricity generators operating in this country, Decree-Law 74/2013, of 4 June, was approved in Portugal, which aimed to rebalance the competition between electricity generators operating in Portugal and other players operating in Europe.

Pursuant to relate diploma and its regulations, in order to restore such balance, the power plants operating on a market regime situated in Portugal, which were not covered by the PPA or CMEC regime, should pay to the System an amount per MWh produced.

The amount payable should consider, on one hand, an estimate of the impact that the off-market events in the European Union (such as the above-mentioned tax changes in Spain) would have in pool prices, and on the other hand, the existence of national extra-market events that affect the competitiveness of electricity generators operating in Portuguese territory. Consequently, a net competition advantage would allegedly arise to generators operating in Portugal.

Under this mechanism regulation – commonly known as clawback – Social tariff and CESE were determined by Dispatch 11566-A/2015, of 3 October, as off-market events that should be considered as competitive disadvantages of generators operating in Portugal.

Dispatch 7557-A/2017, of 25 August, superseded Dispatch 11566-A/2015 (which defined the variables for the computation formula of the amount to be paid by each of the power-generating plants under Decree-Law 74/2013, of 4 June, for each injected MWh) in its entirety. It states that ERSE, after consulting DGEG, should present proposals for a new definition of the variables, as well as reference terms for the new study.

Subsequently, the Dispatch 9371/2017, of 24 October, partially nullified the Dispatch 11566-A/2015, in relation to the decisions presented under its numbers 11 and 12 (the deduction of social tariff and CESE costs in the unit price). ERSE was asked to consider in 2018 UGS tariff, the recovery, in benefit of the consumers, of the amounts allegedly improperly included in previous years' tariffs (2016 and 2017). Dispatch 9955/2017, of 17 November, defines a new amount for the estimate of the off-market events' impact in EU, which is -4.75 €/MWh, with retroactive effects as at August 24. Following these Dispatches, the document of prices and tariffs for 2018 has included a clawback amount of around 90 million Euros to be returned to tariffs, which includes power plants operating under CMEC and estimated generation.

Based on its interpretation of the Law, as well as on legal opinions obtained, EDP Produção considers that the Decree-Law 74/2013, of 4 of June, aims to re-establish a situation of competition balance between generators operating in Portugal and their peers operating in other European countries, which means to consider as off-market events all the taxes and contributions that fall only over generators located outside of Portugal (particularly in Spain), as well as all the taxes and contributions that fall only over generators located in Portugal. Consequently, in the EDP Produção's understanding, supported by legal opinions, Dispatch 9371/2017 and 9955/2017 have completely distorted the clawback mechanism, having filed its legal action in January 2018.

In the Financial statements as at 31 December 2018, EDP Group has included the clawback amount as calculated by EDP Produção, regarding the legislation in place in each period, namely Decree-Law 74/2013, of 4 of June, Order 225/2015, Ordinance 9371/2017 and Dispatch 9955/2017. It is important to notice that this mechanism is not applicable to power plants in 2018 still operating under CMEC regime. However, this situation was subsequently changed and disputed by EDP Produção, as mentioned below.

On 5 October 2018, the Spanish legislature, by the sixth and seventh additional lines on Article 21 of Royal Decree-Law 15/2018, suspended the 7% tax on electricity generation approved in 2012 for a period of six months, from the beginning of October 2018 to the end of March 2019. This tax suspension corresponds to the suspension of the off-market event verified within the European Union, which is considered in the clawback calculation.

Following the temporary suspension of the tax on electricity production in Spain:

- Order 895/2019 of 23 January, establishing the suspension of the "Clawback" was approved for a period of 6 months as from 1 October 2018;
- The Tariff and Price Document for 2019, published on 17 December 2018, estimates a Clawback value of € 4.18/MWh, to be applied after the end of the suspension period (more specifically from 6 April 2019);
- ERSE informed EDP Produção that any clawback invoicing relating to the referred suspension period should be deleted or cancelled;
- The State Budget Law for 2019 provided that "the Government shall, until the end of the first quarter of 2019, review the regulatory mechanism designed to ensure the balance of competition in the wholesale electricity market in Portugal, provided for under DL 74/2013, of 4 June, adapting it to the new rules of the Iberian Electricity Market, with the aim of creating harmonized regulatory mechanisms that reinforce competition and protect consumers".

On 1 April 2019, the suspension of the tax on the production of electric energy in Spain was terminated, and it became effective again. From that moment, the "clawback" invoiced to EDP Produção was resumed, based on a value of 4.75€/MWh.

On 9 August 2019, Decree-Law 104/2019 was published, which makes the first amendment to Decree-Law 74/2013, of 4 June, by changing the scope of the clawback mechanism. Previously, "electricity producers under the ordinary regime and other producers not covered by the guaranteed remuneration regime" were subject to clawback. With the publication of this diploma, the CMEC centrals are now included in the scope of the clawback. Considering that this scope contradicts the Decree Law 240/2004, of 27 of December, EDP Produção proceeded to its challenge.

The same Decree-Law introduced the possibility to define CIT (corporate income tax) – advanced payment, and on 26 September 2019 was published the Order 8521/2019, which set the amounts of advanced payment related to the clawback mechanism at 2.71€/MWh for coal-fired power plants and 4.18€/MWh for other power plants.

In the Tariff and Price Document for 2020, published on 16 December 2019, ERSE considered the unit values defined in Dispatch 8521/2019, correcting only the value applicable to coal to 1.23 € / MWh, due to the increase in the ISP tax percentage and CO2 addition planned for 2020. EDP Produção presented on 10 March of 2020 an action seeking a declaration of nullity or annulment of that administrative act by ERSE.

On 27 December 2019, Dispatch 12424-A / 2019 was published, which identifies as national extra-market events to be considered in the Study to be prepared by ERSE until April 2020 (with reference to 2019) under the Clawback mechanism, the taxation of petroleum and energy products used in the production of electricity (ISP), CESE and the Social Electricity Tariff.

On 30 June 2020, Dispatch 6740/2020 was published by the Secretary State of Energy (SEAE) which establishes the CIT (corporate income tax) – advanced payment to be applied in 2020 to electric power producers covered by the "Clawback" mechanism. The value of CIT (corporate income tax) – advanced payment for the year 2020 is set at € 2.24/MWh for plants that are not subject to extra market internal events, that is, only to some renewable energy producers in the market with the exception of the power generation centers included in the scope of internal extra-market events identified.

On 22 October 2020, Dispatch 10177/2020, issued by the SEAE Office, was published, which determines the final compensation of the "Clawback" for the year 2019, considering the ISP regime as the only internal off-market event within the National Electrical System (SEN), thus determining a value of € 2.24 / MWh for hydro, gas and PRE on the market and 0.68€/MWh for coal power plants. This determination is not consistent with that contained in Dispatch 12424-A/2019, of 27 December, which identifies ISP, CESE and Social Tariff as internal off-market events for 2019. EDP Produção challenged Order 10177/2020 on 22 January 2021.

On 25 June 2021, the Spanish legislator, within the scope for the adoption of urgent measures regarding energy taxation due to the high prices verified in the MIBEL, published the Royal Decree-Law 12/2021, which, among others, proceeds the suspension of the 7% tax on the production of electricity, approved in 2012, for a period between 1 July and 30 September 2021 (3 months), and with effects on the determination of the "Clawback". Following Royal Decree-Law 17/2021, the Spanish legislator has once again suspended the 7% tax on electricity production for another 3 months, between 1 October and 31 December of 2021.

Following the temporary suspension of the tax on the production of electricity in Spain, Dispatch 6398-A/2021, of 29 June, was published, which established the suspension of the "Clawback" in the period between 1 July 2021 and 30 September 2021, and Order 9975/2021, of 14 October, which determines the suspension of this mechanism between 1 October and 31 December 2021.

On 14 October 2021, Order 9974/2021, of the SEAE Office, was published, which determines the final compensation of the "Clawback" for the year 2020, considering as the only extra-market event within the National Electric System the regime of ISP (noting that it is consistent with the Dispatch that approved the final value for the year 2019), resulting in the following "Clawback" values: 3.64€/MWh for hydro plants and Special Regime Production (PRE) in the market; 3.42€/MWh for CCGTs; and 2.16€/MWh for coal plants. This determination is not coherent with the goals and rationale underlying the "Clawback" mechanism, as it does not admit the Social Tariff and CESE as internal extramarket events. EDP Produção challenged Order 9974/2021 on 14 January 2022.

The Spanish legislator suspended again the 7% tax on electricity production for another 6 months, through Royal Decree-Ley 29/2021, of 21 December (for the period between 1 January and 31 March 2022) and Royal Decree-Ley 6/2022, of 29 March (for the period between 1 April and 30 June 2022). Following this temporary suspension of the tax on electricity production in Spain, Order 1322/2022 of 1 February was published, which established the suspension of the "Clawback" between 1 January and 31 March 2022, and Order 6287/2022, of 19 May, which extended this suspension until 30 June 2022.

More recently, the Spanish legislator, due to the maintenance of high prices in the MIBEL resulting, above all, from the Russia-Ukraine conflict, resumed the suspension of the 7% tax on electricity production until the end of 2022, through the Royal Decree-Ley 11/2022, of 25 June, and Order 9838/2022, of 9 August, determined the suspension of the "Clawback" for the period between 1 July and 31 December 2022 in Portugal.

In the year 2023 the tax on generation in Spain is suspended, in accordance with Royal Decree-Ley 20/2022 of 27 December, so the suspension of the "Clawback" in Portugal is also expected in the same period.

Social Tariff Scheme

EDP Group filed a request to the European Commission to assess the compliance of the Social Tariff funding mechanism, fully supported by ordinary regime generators, with the rules and principles of European Union law. On this, since 2011, EDP has already been charged more than 530 million Euros. EDP does not question the existence of the Social Tariff, and agrees with its purpose, but cannot, in light of the current regime, conform with the terms in which the legislator enshrined its method of financing. In fact, in Spain, similar mechanisms for financing the price of electricity were considered not to comply with the legal framework and were therefore subject to modification.

The verification request aimed to obtain confirmation on the inadequacy of the current national social tariff financing mechanism and to prompt the review of national legislation on this financing mechanism.

The European Commission recognised the discriminatory nature of the financing mechanism for the social tariff in Portugal and informed that it would keep monitoring the evolution of the social tariff in Portugal, particularly in the context of the revision of tariffs for 2023. In the 2023 tariffs, the social tariff discount continues to be attributed to eligible customers and the respective cost is being temporarily borne by the network operators, pending definition of the financing model for this cost.

Ancillary Services

i) Secondary regulation band service

On 3 September 2018 the Autoridade da Concorrência (AdC) adopted a Note of Illegality, under which it intended to attribute to EDP Produção a behaviour of abuse of a dominant position in the secondary regulation band service. AdC claimed that EDP Produção restricted the offer of a segment of the Electricity System (the secondary regulation band or teleregulation service) between January 2009 and December 2013, limiting the capacity offer of its plants under CMEC regime to benefit market power plants, in order to benefit twice, to the detriment of consumers. On 28 November 2018, EDP Produção exercised its right to be heard and to defend itself in relation to the wrongful act that was imputed and the sanctions it could incur, that is, it responded to the Note of Illegality.

On 18 September 2019, AdC informed EDP Produção of its decision to condemn, imposing a fine of 48 million Euros, for alleged abuse of dominant position in the secondary regulation band market in mainland Portugal between January 2009 and December 2013.

According to AdC, EDP Produção would have manipulated its offer of tele-regulation service or secondary regulation band, limiting the capacity offer of its CMEC power plants to offer it through its market power plants, benefiting in two ways:

- Highest compensation paid to CMEC plants (annual revisability), as their lower participation in the provision of secondary regulation band service would be below what would be expected (according to competitive market criteria); and
- The increase of the market price of the secondary bandwidth service, as a result of the limited supply by CMEC plants, favouring market-based power plants.

On 30 October 2019, EDP Produção filed an appeal against this decision before the Competition, Regulation and Supervision Court (TCRS), awaiting the AdC's counter-allegations. On 20 May 2020, EDP Produção was notified of an order from TCRS, which, among other things, admitted its Appeal of Judicial Contestation, establishing a purely return effect and determining the payment of the fine imposed within 20 days. In this context, EDP Produção submitted requests, invoking supervening facts to demonstrate the considerable damage associated with a putative payment of the fine, and arguing defects in the decision that determined the attribution of a merely devolutive effect to the Judicial Challenge Appeal. However, despite EDP Produção's well-founded convictions about the possibility of providing a bank guarantee or bond, instead of paying the fine, the TCRS ended up determining the payment of the fine, which occurred on 20 October 2021. The trial started in September 2021 and on 10 August 2022, the TCRS confirmed the AdC's decision, maintaining the fine of 48 million Euros to EDP Produção for alleged abuse of dominant position. EDP Produção filed an appeal against the aforementioned decision to the Lisbon Court of Appeal on 30 September 2022.

The EDP Group considers that EDP Produção did not abuse any dominant position, having acted strictly in accordance with the legal framework in force.

On 29 September 2021, EDP Produção was cited in a class action filed by Associação IUS Omnibus based on the alleged abuse of dominant position in the secondary regulation band market between the beginning of 2009 and the end of 2013, requesting, in representation of consumers, a compensation in the amount of 94.8 million euros, as estimated by AdC in the scope of process PRC/2016/05. EDP Produção has already presented its defense within the legal deadline established for that purpose.

A Order was issued, in which the court decided, among other things, to suspend the proceedings until a final decision is rendered in administrative offense case 309/19.OYUSTR. The appeal filed by EDP Produção with the Lisbon Court of Appeal regarding this decision to suspend the proceedings is pending.

ii) CMEC's revisibility overcompensation

On 20 October 2020, EDP Produção became aware, by letter sent by DGEG, of the dispatch of the SEAE regarding the approval of the revisibility for the year 2015, which is deducted in the amount of 72.9 million Euros, relating to the alleged overcompensation. In this respect, the EDP Group has registered a provision in the amount of 72.9 million Euros, and carried out a judicial appeal against the order of SEAE at the Administrative Court of the Lisbon Circle at 19 January 2021.

Innovative Features

On 9 July 2018, EDP has been notified, within the scope of a stakeholder hearing promoted by the DGEG, to present its opinion on the possibility of DGEG proposing to the Secretary of State for Energy an amount associated with the alleged "innovative features" introduced in CMEC regime regarding PPA, to a maximum amount of 357.9 million Euros. According to DGEG, this amount shall be associated with the lack of legal scope for tests on the availability of the CMEC plants (285 million Euros) and the ancillary services, mentioned above (72.9 million Euros).

On 26 September 2018, EDP Produção was notified of the Order of the SEE of 29 August, which considers as an "innovative features" the topic "procedures for calculating the verified availability coefficient", quantified at 285 million Euros. This Order refers to the alleged lack of legal forecast of availability tests of CMEC plants. Considering that the Order in question lacks technical, economic and legal basis, on 8 October 2018 EDP Produção has submitted an administrative appeal.

Subsequently, EDP Produção received a letter from ERSE dated 12 November 2018 and became aware of the Order of the SEE of 4 October, which, following the Order of 29 August, declared the annulment of the annual adjustments in the part in which they considered the alleged "innovative features" concerning the procedures for calculating the coefficient of availability. In the Tariff and Price Document for 2019, ERSE considered the refund of an amount of 90 million Euros for a portion of the 285 million Euros referred to, expecting that the remaining portion will be paid for a number of years that allow the CMEC to have zero tariff impact by including the 86.5 million Euros in the tariffs of 2020, 86.5 million Euros in tariffs of 2021 and 21.9 million Euros in 2022.

Without having received any response to the gracious complaint filed on 1 February 2019, EDP Produção challenged in court the Orders of 29 August and 4 October and the Tariff and Price Document for 2019.

In the Electricity Tariffs and Prices Document for 2020, approved by ERSE on 16 December 2019, that entity charged again 86.5 million Euros, as it had foreseen the previous year.

Although the EDP Group considers that there were no innovative features weighted in CMEC adjustments, this aspect was reflected in these financial statements as of 31 December 2018, by recognising a provision of 285 million Euros. In 2019 EDP made the payment of 92,458 thousand Euros, during 2020 made the payment of 110,963 thousand Euros, during 2021 made the payment of 69,374 thousand Euros and during 2022 made the payment of 12,105 thousand Euros (see note 36) thus using the entirety of this provision on 31 December 2022.

Hydro power plants of Fridão and Alvito

On 17 December 2008, EDP Produção and the Portuguese State signed the Contract for the Implementation of the National Program for High Hydroelectric Potential Power Plants (PNBEPH) regarding the Hydro Power Plants of Fridão (AHF) and Alvito (AHA), with the payment, by EDP Produção of 231,700 thousand Euros. Of this amount, 217,798 thousand Euros relates to the exclusive right to explore the AHF during the concession period.

EDP Produção followed up on the procedures for the implementation of these projects, having, in the case of the AHF, obtained a Favourable Environmental Impact Declaration and an Environmental Compliance Report of the Execution Project (RECAPE).

On 22 October 2013, EDP Produção requested to the Minister of the Environment, Land Management and Energy, based on a change of circumstances, to postpone the signing of the concession contract for the AHF. This request was formally rejected on 2 May 2014, and the terms of the concession contract, were subsequently negotiated between EDP Produção and the Portuguese Environmental Agency (APA) and a specific date for the respective signature for 30 September 2015, which was revoked by the Government without rescheduling a new date.

In 2016, following the beginning of the XXI Constitutional Government, the Government Program provided the reassessment of the PNBEPH. In this context, it was suspended, for three years, the execution of the Contract for the implementation of the AHF, as well as was agreed the annulment of the implementation Contract regarding AHA, through a Memorandum of Understanding signed on 5 December 2016, concluded by an agreement between the Portuguese State and EDP Produção on 11 April 2017.

On 16 April 2019 EDP Produção received, by email, an official letter from the Ministry of the Environment and Energy Transition, dated 11 April 2019, informing the State's conclusion that there is no need for implementation of AHF to meet national targets for energy production from renewable sources and for reducing the emission of Greenhouse Gases, as well as "that the State does not find any reason to inhibit the construction of the Fridão Hydro Power Plant".

Simultaneously, the Minister of the Environment and Energy Transition (MATE) announced at the National Assembly, in a hearing at the Environment, Land-use Planning, Decentralization, Local Power and Housing Committee, that the State's decision was not to build the AHF and that "the State will always comply with the contract but believes there are no reasons for any repayment of the amount that was given to the State ten years ago". It acknowledged, however, that there was no agreement with EDP on this matter.

EDP Produção notified the Portuguese State to clarify that at no time did EDP express its intention to not proceed with the construction of power plants and to return all the investment already made, including the consideration paid on the provisional award, and, as well, to compensate it for other losses and damages resulting from the non-compliance, to be settled in a timely manner. The Group reclassified these Assets under construction to Other debtors and other assets and valued them in accordance with the principles defined in IFRS 9 (see note 27).

On 24 January 2020, EDP Produção initiated an arbitration process against the State in which it claimed its rights. The arbitration hearing sessions took place during the month of April 2021 and in July 2021 the closing arguments were presented. In July 2022, the competent Arbitration Decision was handed down, obliging the State to refund to EDP Produção the aforementioned amount of 217,798 thousand Euros, which concerns the exclusive right to explore the AHF during the concession period. The other requests by EDP Produção and the State were dismissed. On 7 October 2022, the Portuguese State filed an appeal against the aforementioned Arbitration decision and EDP Produção presented its counter-claims on the 11 November 2022. On the 15 December 2022, the Supreme Administrative Court delivered the Judgment admitting the review appeal filed by the Portuguese State. In view of this decision, EDP filed an appeal with the Constitutional Court.

EDP Produção submitted, on 13 December 2022, an appeal for the execution of the Arbitration Decision, demanding the payment of the amount in which the Portuguese State was sentenced, in the amount of 217,798 thousand Euros. The appeal was admitted.

Sale of real estate by E-Redes – Distribuição de Eletricidade, S.A.

In the 2009–2018 period, E-Redes – Distribuição de Eletricidade, S.A. (E-REDES) disposed a set of real estate that were unused for the activities of the various electricity distribution concessions, in the amount of approximately 52 million Euros, obtaining a total net value of gains of 33.9 million Euros (35.7 million Euros of gains and 1.7 million Euros of losses).

In the regulated accounts sent to ERSE in April 2018, E-REDES identified the amount to be returned into tariffs related to the depreciation of the properties that were sold in the period 2012–2017. ERSE did not consider this amount in the 2019 rates and submitted the topic for further analysis.

In the Tariffs for 2020, ERSE recognized the principle of profit sharing with the system and assumed the return into the tariffs of approximately 16.6 million Euros referring to half of the net gains obtained from the sale of real estate by E-Redes – Distribuição de Eletricidade, S.A. between 2009 and 2018, having mentioned that the position to be taken by the respective grantors of the Concession Contract for the National Distribution Network (RND) and the electricity distribution network concessions in BT may determine the revision of this amount.

E-Redes did not question the return to the tariff of half of the capital gains generated with the sale of real estate not allocated to any of the activities included in the RND concession and in the concessions of the municipal low voltage electricity distribution networks, having the respective representative on the ERSE Tariff Board voted in favor of this solution.

Subsequent to the publication of the Tariffs for 2020, in 17 December 2019, the Government approved an Order that stipulates that the total value of the gains generated by the sale of real estate by E-Redes – Distribuição de Eletricidade, S.A. between 2009 and 2018, and which were subject to remuneration for the tariffs, “reverts entirely to the grantor”, and should be “fully reflected in the electricity tariffs”.

On 17 March 2020, E-Redes – Distribuição de Eletricidade, S.A. initiated an arbitration process at the Commercial Arbitration Center, in which claims, moreover, (i) the principle of sharing benefits in this case, may not result in the granting ownership of all the gains generated from the sale of real estate; (ii) that the maintenance of the alienated properties would entail costs for the system, so that their alienation proves to be correct; (iii) that, in relation to all E-Redes real estate where no specific technical installations for each voltage level are installed, as is the case, it is not possible to make any distinction between the respective allocation to the RND concession, or to the municipal concessions for low voltage electricity distribution networks.

On 15 December 2020, the Regulator published the tariffs for 2021 and it was considered the return to the system of the remaining amount of 16.6 million Euros referring the net gains obtained from the sale of properties in the period between 2009 and 2018, in accordance with the Dispatch sent by MAAC, despite the ongoing arbitration process.

On 25 March 2022, the Arbitration Court issued its decision, which, in summary, results in an interpretation of the Concession Agreement, according to which the income resulting from the sale of the aforementioned real estate and which exceeds the global amount of accumulated depreciation must be recognized as income allowed to the concessionaire.

In accordance with the interpretation adopted regarding the RND Concession Agreement, the Arbitration Court decided that the amount of 27.9 million Euros, corresponding to the accumulated depreciation of the real estate transferred between 2009 and 2018, by E-REDES, for a total amount of around 52 million Euros. In view of the finality of this arbitration decision, E-REDES recorded in the first half of 2022 an income of 5.3 million Euros, which will be recovered in the 2023 tariffs and which results from the difference between the amount already returned to the tariffs (33.2 million Euros) and the amount that should have been returned in accordance with the arbitration decision (27.9 million Euros).

E-Redes acted in a transparent manner and within the framework of regulatory efficiency standards dictated by ERSE itself, as is evident from the values that have always been evidenced in the published Annual Reports and in the Regulated Accounts presented.

Sale of the portfolio of Hydroelectric Projects

The project for the sale of the portfolio of Hydroelectric Projects located in the Douro basin falls within the scope of EDP's strategic plan for 2019-2022, as presented to the market in March 2019 and reinforced with EDP's Strategic Plan for 2021-2025 presented in February 2021, in particular within the scope of the strategy of portfolio balancing and capital reallocation, as a way to finance new investments, particularly in renewable energy, including in Portugal.

The transaction was concluded on 16 December 2020, through the sale of the entire share capital of the company Camirengia Hidroelétricos S.A. (“Camirengia”), by its sole shareholder, EDP – Energias de Portugal, S.A. (“EDP”), to the company Movhera – Hidroelétricas do Norte, S.A. (previously known as Águas profundas, S.A., company incorporated in Portugal and therefore resident for tax purposes in Portugal, owned by the consortium formed by GDF International SAS, from ENGIE Group, by 40%, Mirova S.A. by 35% and Predica Prevoyance Dialogue du Credit Agricole, S.A. in 25%). The company Camirengia was incorporated under the simple demerger of EDP – Gestão da Produção de Energia, S.A. (“EDP Produção”), under which a complex set of items was carved-out from this company, comprising not only the titles of use of the hydric resources related to the portfolio mentioned above, but also by a multiplicity of assets, liabilities, resources and contractual positions associated and necessary for the development of the exploration activity.

From a strictly operational, regulatory, technical and legal point of view, the demerger was the only viable and feasible option to proceed with the detachment of the portfolio, considering its size and complexity. In this sense, EDP followed the only model, the demerger and the subsequent sale of shares, that guaranteed the continuity of operations and the maintenance of all the commitments (including environmental nature and towards the municipalities) necessary for the portfolio normal operation and also to respond to the need of the buyer of acquiring a functional and autonomous company that would ensure the operation of all activity, without disruption, immediately after the sale – which was also required by the regulator. On the other hand, the contractual model used in the implementation of the transaction is fully in line with market standards.

After its conclusion, the transaction was subject to media attention, based on the assumption that it constitutes a transfer of concessions and that, therefore, would be subject to Stamp Duty (under paragraph 27.2 of the Stamp Duty General Table). In EDP's view, that assumption is not at all applicable, and Stamp Duty is not due, as the transaction did not entail a transfer of concessions, but rather a demerger followed by the sale of the entire share capital of a company (Camirengia) holding the patrimonial assets assigned to the portfolio, operations that are not subject to Stamp Duty.

In this context, on 16 March 2021, the President of the EDP Executive Board of Directors was requested to attend the Environment, Energy and Spatial Planning Commission of the Portuguese Parliament, in order to address the abovementioned transaction, where EDP had the opportunity to clarify all questions addressed by the Members present. In addition, on 1 April 2021, that Commission sent EDP a request for information and questions about the transaction. On 15 April, EDP, committed to contribute to the swift, full and definitive clarification of the questions that were presented, sent to the Portuguese Parliament answers to all the questions raised, and made available all the requested documentation, despite its private and confidential nature, as a testament to the collaborative, transparent and good faith attitude with which EDP has been guiding its relationship with the State and its institutions.

In this spirit of collaboration, transparency and good faith in its relationship with the State and its institutions, EDP proactively contacted the Tax Authority, making itself available to clarify the tax aspects of the operation.

On 6 July 2021, EDP became aware that DCIAP is investigating the sale of the Douro portfolio, with searches carried out at the premises of EDP and EDP Produção. During the diligence, and basing its action on a cooperative posture, all cooperation and assistance was provided to the authorities.

EDP scrupulously fulfils all of its obligations, including tax obligations, adopting very strict practices in the technical framework of all issues, having made this transaction under the tax framework applicable, assessing the tax rules in force on the date of the transaction, a framework that was also subject to validation by Opinions requested from reputable tax experts.

5. Financial risk management policies

The military conflict between Russia and Ukraine, which began on 24 February 2022, is having several impacts, namely in the financial markets, due to the volatility it entails, the uncertainty it carries, in a time when Central Banks have been announcing and implementing measures such as the end of asset purchase programs and the hike of interest rates moving away from an accommodative monetary policy which has been in place in the last few years.

The Group regularly monitors the financial markets evolution and the market variables to which it has exposure, seeking to mitigate that exposure by maintaining a mix of interest rate with a high percentage of fixed rate, maintaining prudent levels of foreign exchange hedging, choosing carefully its main counterparties favoring high ratings and high levels of liquidity (cash and available credit lines). The Group has adjusted its Financial Risk Management Policies incorporating worst case scenarios sufficiently conservative, therefore adequate to the Group profile. However, given that the duration of the conflict and its global impacts are still unknown, the Group continues to monitor the risks, seeking to anticipate and manage possible additional impacts not currently contemplated.

Exchange-rate and interest rate risk management

Financial risk management

The EDP Group's business is exposed to a variety of financial risks, including the effect of changes in market prices, foreign exchange and interest rates. The Group's exposure to financial risks arises essentially from its debt portfolio, its investments and from the volatility of commodity prices, resulting in interest and exchange rate exposures as well as commodity market price exposure. The status and evolution of the financial markets are analysed on an on-going basis in accordance with the Group's risk management policy.

The management of financial risks of EDP, S.A. and other EDP Group entities is undertaken centrally by EDP, S.A., in accordance with policies approved by the Executive Board of Directors. The Financial, the Energy Management and the Risk Management Departments identify, evaluate and submit to the Board, for approval, hedging mechanisms appropriate to each exposure. The Executive Board of Directors is responsible for the definition of general risk management principles and the establishment of exposure limits.

As for the subsidiaries of EDP Energias do Brasil, the management of the financial risks inherent to the variation of interest rates, exchange rates and commodities is carried out locally, according to the rules set by EDP Energias do Brasil's Management and aligned with the principles/policies set by EDP Group for this geographical area.

Exchange-rate risk management

EDP Group operates in different geographies, therefore becoming exposed to exchange rate risk in US Dollar (USD), Brazilian Real (BRL), Polish Zloty (PLN), Romanian Leu (RON), Canadian Dollar (CAD), Pound Sterling (GBP), Hungarian Forint (HUF), Colombian Pesos (COP), Singapore Dollar (SGD) and other asian currencies. Currently, these exposures result essentially from investments of EDP Group in wind parks (and solar) in the USA, Poland, Romania, Canada, United Kingdom, Hungary, Colombia and Singapore. The exposure to Brazilian Real results essentially from investments of EDP Group in EDP Energias do Brasil and EDP Renováveis Brasil. The majority of these investments were financed with debt contracted in the respective local currency which allows to mitigate the exchange rate risk related to these assets, and such financing is complemented, in certain cases, with derivatives to hedge exchange-rate risk on net investment.

The policy implemented by the EDP Group consists of undertaking derivative financial instruments to hedge exchange rate risk with similar terms to those of the hedged asset or liability. The operations are revalued and monitored throughout their useful lives and, periodically, their effectiveness in controlling and hedging the risk that gave rise to them is assessed.

Investments in the Brazilian subsidiaries of EDP Energias do Brasil, whose net assets expressed in Brazilian Real expose EDP Group to the exchange rate risk from its conversion to Euros, are monitored through analysis of the evolution of the BRL/EUR exchange rate.

In the hedge relationships, the main source of ineffectiveness is the effect of the counterparties' and the Group's own credit risk on the fair value of the forward foreign exchange contracts and cross currency interest rate swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates.

Sensitivity analysis - exchange rate

Regarding the financial instruments that result in an exchange rate risk exposure, a fluctuation of 10% in the EUR/USD exchange rate, as at 31 December 2022 and 2021, would lead to an increase/(decrease) in the EDP Group results and/or equity as follows:

Thousand Euros	Dec 2022			
	Profit or loss		Equity	
	+10%	-10%	+10%	-10%
USD	9,696	-11,851	-65,279	79,785

Thousand Euros	Dec 2021			
	Profit or loss		Equity	
	+10%	-10%	+10%	-10%
USD	-14,282	17,456	-64,579	78,930

This analysis assumes that all other variables, namely interest rates, remain unchanged.

Interest rate risk management

The aim of the interest rate risk management policies is to manage the impact on financial charges, from contracted debt, related to the exposure to interest rate risk from market fluctuations.

In the floating rate financing context, the EDP Group enters, when considered appropriate, into interest rate derivative financial instruments to hedge the cash flows associated with future interest payments, which have the effect of converting floating interest rate loans into fixed interest rate loans.

Long-term debt engaged at fixed rates is, when appropriate, converted into floating rate debt through interest rate derivative financial instruments designed to level them to current and expected market conditions.

All the operations are undertaken on liabilities in the EDP Group's debt portfolio and mainly involve perfect hedges, resulting in a high level of correlation between changes in fair value of the hedging instrument and changes in fair value of the interest rate risk or future cash flows.

In the hedge relationships, the main source of ineffectiveness is the effect of the counterparty's and the Group's own credit risk on the fair value of the interest rate swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates.

The EDP Group has a portfolio of interest rate derivatives with maturities up to 17 years. The Group's Financial Department undertakes sensitivity analyses of the fair value of financial instruments to interest rate fluctuations. As at 31 December 2022, after the hedging effect of the derivatives 75% of the Group's liabilities are at fixed rate.

During 2022, the EDP Group also entered into forward-starting interest rate swaps, in EUR and USD, in order to pre-hedge its exposure to the risk of interest rates increasing until the expected refinancing date of its outstanding debt, for the next 2 years.

Sensitivity analysis – Interest rates (excluding the Brazilian operations)

Based on the Group's debt portfolio, except for Brazil, and the related derivative financial instruments used to hedge the related interest rate risk, a 100 basis points change in the reference interest rates at 31 December 2022 and 2021 would lead to an increase/(decrease) in the EDP Group results and/or equity as follows:

Thousand Euros	Dec 2022			
	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp Increase	100 bp decrease
Cash flow effect:				
Hedged debt	-10,103	10,103	-	-
Unhedged debt	-8,844	8,844	-	-
Fair value effect:				
Cash flow hedging derivatives	-	-	11,268	-11,268
Trading derivatives (accounting perspective)	68	-68	-	-
	-18,879	18,879	11,268	-11,268
Thousand Euros	Dec 2021			
	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Cash flow effect:				
Hedged debt	-18,682	18,682	-	-
Unhedged debt	-2	2	-	-
Fair value effect:				
Cash flow hedging derivatives	-	-	12,848	-12,848
Trading derivatives (accounting perspective)	5,501	-5,501	-	-
	-13,183	13,183	12,848	-12,848

This analysis assumes that all other variables, namely exchange rates, remain unchanged.

Brazil – Exchange and interest rate risk management

Stress tests and sensitivity analysis are carried out for purposes of risk management in the Brazilian subsidiaries. Through these two tools, the financial impact in different market scenarios is monitored.

For sensitivity analysis, the exposure of portfolio of operations is evaluated through 25% and 50% changes in the main risk factors, currency and interest rates, and the scenario with the highest probability of occurrence is presented (25%). The stress test is performed on the fair value of the operations and uses as premise the interest rate curve projections of the Brazilian basic macroeconomic scenario.

Brazil – Sensitivity analysis – exchange rate

Three Brazilian subsidiaries are mainly exposed to the USD/BRL exchange rate, arising from USD debt for which the exposure is completely offset by cross currency interest rate swaps.

Brazil – Sensitivity analysis – Interest rates

Based on the portfolio of operations, a 25% change in the interest rates, to which the Brazilian subsidiaries are exposed to, would have an impact to EDP Energias do Brasil Group in the amount of:

Thousand Euros	Dec 2022		Dec 2021	
	+ 25%	- 25%	+ 25%	- 25%
Financial instruments – assets	24,881	-24,499	11,328	-10,913
Financial instruments – liabilities	-105,539	117,991	-110,495	109,851
Derivative financial instruments	-2,686	9,352	-7,580	8,137
	-83,344	102,844	-106,747	107,075

Counterparty credit risk management

EDP Group's policy in terms of counterparty risk on financial transactions (see note 2 e)) is managed through an analysis of the technical capacity, competitiveness, credit rating and exposure to each counterparty, avoiding significant concentrations of credit risk. Counterparties in derivative financial instruments are institutions with high credit rating so the risk of counterparty default is not considered to be significant. Therefore, guarantees and other collaterals are not typically required for these transactions.

EDP Group has documented its financial operations in accordance with international standards. Derivative financial instruments are mainly contracted under ISDA Master Agreements.

The amount receivable from customers is mainly generated by operations in Portugal, Spain and Brazil, with a diversified customer base, both geographically and in terms of segments (business clients, private and public sector) and size (Supply companies, Business to Business (B2B) and Business to Consumer (B2C)). EDP is present in several countries and continents, structured in 4 regional hubs: Europe, Asia-Pacific, North America and South America. It has more than 8.5 million customers in the electricity sector and 0.6 million customers in the gas sector, and usually the contractual relationship with the counterparty tends to be long-lasting.

The maximum exposure to customer credit risk by counterparty type is detailed as follows:

Thousand Euros	Dec 2022	Dec 2021
Corporate and private sector:		
Supply companies	200	81,366
B2B	496,804	443,937
B2C	425,163	354,586
Other	556,939	652,790
	1,479,106	1,532,679
Public sector:		
Debt with payment agreement	1,375	4,059
Debt without payment agreement	160,197	202,896
	161,572	206,955
	1,640,678	1,739,634

Trade receivables by geographical market for the Group EDP, is as follows:

Thousand Euros	Dec 2022					
	Portugal	Spain	Brazil	USA	Other	Group
Corporate and private sector	669,995	315,698	374,164	27,248	92,001	1,479,106
Public sector	34,223	112,988	13,909	-	452	161,572
	704,218	428,686	388,073	27,248	92,453	1,640,678

Thousand Euros	Dec 2021					
	Portugal	Spain	Brazil	USA	Other	Group
Corporate and private sector	860,518	281,042	350,076	22,287	18,756	1,532,679
Public sector	38,780	149,831	18,034	-	310	206,955
	899,298	430,873	368,110	22,287	19,066	1,739,634

The amounts receivable from supply companies are concentrated mainly in Portugal, Brazil and EDP Renováveis Group, as follows:

- In Portugal, these counterparties present a significantly reduced days sales outstanding, about 20 days, and these entities are subject to the sector regulation that establishes collaterals to reduce credit risk. The collateral provided is updated based on the average of the last quarter monthly sales, which reinforces a low risk profile;
- In Brazil, it refers mainly to: (i) the amounts from sale of electricity to wholesale dealers and supply companies, (ii) accounts receivable relating to energy traded in the Electric Energy Trading Chamber - CCEE; and (iii) charges for the electricity network access;
- In EDPR EU (Europe) & Latin America platform, main customers are utilities and regulated entities in the different countries. Credit risk is not significant due to the limited average collection period for customer balances and the quality of its debtors. Additional counter-party risk comes from the countries with renewables incentives, which it is usually treated as regulatory risk;
- In EDPR NA (North America) platform, main customers are regulated utility companies and regional market agents in the US. As it occurs in Europe, credit risk is not significant due to the limited average collection period for customer balances and the quality of the debtors. However, the exposure due to the mark-to-market of long term contracts may be significant; and
- In EDPR APAC (Asia-Pacific) platform, the Group's main customers are Distributed Generation offtakers and regulated entities in the different markets, namely in Singapore and Vietnam. As it occurs in the other platforms, credit risk from trade receivables is not significant due to same reasons. However, counter-party risk comes from countries with renewables incentives through regulated tariffs, which it is usually treated as regulatory risk.

Exposure in all markets EDPR operates is managed by a detailed assessment of the counter-party before signing any long term agreement and by a requirement of collaterals when financial soundness of the counterparty deteriorates.

Regarding the remaining receivables from companies and individual customers, resulting from the current activity of EDP Group, the credit risk is essentially the result of customers defaults, whose exposure is limited to the supply made until the possible date of supply disruption. A very criterious credit risk analysis made for new costumers, as well as the large number of customers and their diversity in terms of sectors of activity are some of the main factors that mitigate the concentration of counterparty credit risk.

Amounts receivable from public sector customers include amounts receivable from renegotiated debt with payment agreements, which, as the counterparty is a public entity and has already recognised the debt through payment protocols, present a lower risk. These amounts also include debt without payment agreements arising from the normal power supply activity similar to that described for the corporate and individual sector.

In accordance with accounting policies - note 2 e), impairment losses are determined using the simplified approach precluded in IFRS 9, based on life time expected losses.

Regarding third-party receivables generated by the Group's day-to-day business, the credit risk arises essentially from customers default, whose exposure is limited to the Low Tension Electricity supplied with usual delays in payments. The very criterious credit risk analysis made for new costumers, as well as the large number of customers and their diversity in terms of sectors of activity are some of the main factors that mitigate the concentration of counterparty credit risk.

EDP Group believes that the amount that best represents the Group's exposure to credit risk corresponds to the carrying amount of customers and of Contract assets related to energy sales net of the impairment losses recognised. The Group believes that the credit quality of these receivables is adequate and that no significant impaired credits exist that have not been recognised as such and provided for.

As at 31 December 2022, in accordance with the methodology for determining impairment losses on amounts receivable from the electric sector, no impairment loss has been booked. The risk levels for amounts receivable from the electric sector have been considered to be the same as the country risk levels for Brazil, Portugal and Spain, which have high credit ratings.

The maximum exposure to credit risk of Contract assets related to energy sales and Amounts receivable from the electric sector is as follows:

Thousand Euros	Dec 2022	Dec 2021
Contract assets related to energy sales:		
Contract assets receivable from energy sales contracts	1,449,960	1,727,613
	1,449,960	1,727,613
Amounts receivable from the electric sector:		
Amounts receivable from tariff adjustments - Electricity (see note 26)	483,217	860,661
Amounts receivable relating to CMEC (see note 26)	603,475	657,734
Amounts receivable from concessions - IFRIC 12 (see note 26)	1,966,939	1,208,888
	3,053,631	2,727,283
	4,503,591	4,454,896

Liquidity risk management

The EDP Group undertakes management of liquidity risk through the engagement and maintenance of credit lines and financing facilities, with a firm underwriting commitment with international reliable financial institutions, as well as term deposits, allowing immediate access to funds. These credit lines are used to complement and backup national and international commercial paper programmes, allowing the EDP Group's short-term financing sources to be diversified (see note 34). Considering the military conflict between Russia and Ukraine, the Group assessed the potential impacts on additional liquidity needs, having concluded that the current Liquidity Risk Management Policy remains adequate.

The table below shows the contractual undiscounted cash flows and the estimated interests due, computed using the rates available at 31 December 2022:

Thousand Euros	Dec 2023	Dec 2024	Dec 2025	Dec 2026	Dec 2027	Following years	Total
Bank loans	618,171	374,238	100,048	72,687	68,154	640,133	1,873,431
Bond loans	1,997,899	2,397,141	1,896,292	2,109,361	1,783,624	2,806,824	12,991,141
Hybrid bond	726,552	-	-	-	-	3,077,200	3,803,752
Commercial paper	870,413	104,685	391,345	51,480	42,784	-	1,460,707
Other loans	4,227	2,627	1,784	2,057	1,826	27,812	40,333
Interest payments (i)	657,305	663,953	482,327	367,345	281,449	602,725	3,055,104
	4,874,567	3,542,644	2,871,796	2,602,930	2,177,837	7,154,694	23,224,468

The table below shows the contractual undiscounted cash flows and the estimated interests due, computed using the rates available at 31 December 2021:

Thousand Euros	Dec 2022	Dec 2023	Dec 2024	Dec 2025	Dec 2026	Following years	Total
Bank loans	238,385	212,429	116,702	85,009	51,145	578,049	1,281,719
Bond loans	1,227,879	1,777,840	2,221,977	1,774,009	2,040,793	2,262,749	11,305,247
Hybrid bond	48,081	-	-	-	-	3,750,000	3,798,081
Commercial paper	2,769	154,796	47,543	320,060	-	-	525,168
Other loans	2,504	1,202	1,011	1,031	1,052	21,836	28,636
Interest payments (i)	404,148	559,603	472,657	292,542	192,802	545,187	2,466,939
	1,923,766	2,705,870	2,859,890	2,472,651	2,285,792	7,157,821	19,405,790

(i) The coupons of the hybrid bonds were included taking into consideration the earliest possible call date.

Energy market risk management

Energy market risk management (excluding the Brazilian operations)

In the sphere of its operations in the Iberian market for both electricity and gas, EDP Group purchases fossil fuels to generate electric energy which is sold in organized markets (OMIE and OMIP) as well as to third parties or, in the gas business, sells natural gas to clients either through EDP Group's trading companies or directly to third parties. As a result, the Group is fully exposed to energy market risks.

As a result of its energy management operations, EDP Group has a portfolio of operations related to electricity and gas businesses. The portfolio is managed through the engagement of operations with financial and physical settlement on the forward energy markets. The objective of the operations is to reduce volatility of the financial impact resulting from the managed positions and to benefit from arbitration or positioning within the trading limits approved by the Executive Board of Directors. The financial instruments traded include swaps (electricity, coal and gas) and futures to fix prices.

In the hedge relationships, the main source of ineffectiveness is the effect of the counterparty's and the Group's own credit risk on the fair value of the derivative financial derivatives, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in market prices.

Energy management activity is subject to a series of variables which are identified and classified based on their common uncertainty characteristics (or risk). Such risks include market price evolution risk (electricity and fuel) with impact in the expected energy volume generated, as well as credit risk of the counterparties.

Monitoring the price, volume and credit risks includes their quantification in terms of positions at risk which can be adjusted through market operations. This quantification is made by using specific models that value positions to determine the maximum loss that can be incurred, with a given probability and a determined time frame.

Risks are managed in accordance with the strategies defined by the Executive Board of Directors, which are subject to a periodic review based on the evolution of the operations, to change the profile of the positions and adjust them to the established management objectives.

Risks are monitored by means of a series of actions involving daily monitoring of the different risk indicators, of the operations grouped in the systems and the prudence limits defined by management area and risk component, as well as regular backtesting and supplementary validation of the models and assumptions used. This monitoring not only ensures the effectiveness of the strategies implemented, but also provides elements to enable initiatives to be taken to correct them, if necessary.

The main price and volume risk indicator used is the margin at risk (P@R), which estimates the impact of the variation of the different risk factors (price of electricity and hydrological) on the next 24 month's margin, P@R corresponding to the difference between an expected margin and a margin of a pessimistic scenario with a probability to occur of 5% (confidence interval of 95%) considering a time frame of 2 months. Both the volumes which are certain and those, which although uncertain, are expected, namely production of the plants and the corresponding consumption of fuel, are considered. The P@R distribution by business segment is as follows:

Thousand Euros		P@R Distribution by business segment	
		Dec 2022	Dec 2021
Business	Portfolio		
Electricity	Trading	50,483	2,391
Electricity	Trading + Hedging	342,309	369,883
Gas	Hedging	120,588	77,363
Diversification effect		-93,380	-17,505
		420,000	432,131

Regarding credit risk, the quantification of exposure considers the amount and type of transaction (e.g. swap or forward), the rating of the counterparty risk that depends on the probability of default and the expected value of credit to recover, which varies depending on the guarantees received or the existence of netting agreements. The EDP Group's exposure to credit risk rating is as follows:

	Dec 2022	Dec 2021
Credit risk rating (S&P)		
A+ to A-	22.45%	47.53%
BBB+ to BBB-	49.88%	34.70%
No rating assigned	27.67%	17.77%
	100.00%	100.00%

Brazil – Energy market risk management

Arising from the energy trading activity in Brazil, EDP Trading Comercialização e Serviços de Energia, S.A. and EDP Smart Energia Lda. are exposed to market price risk associated with future commitments, resulting from bilateral contracts for the purchase and sale of energy.

At reporting date, the result of future commitment contracts is determined as the differential, for each maturity term, between the prices of the bilateral contracts for the purchase and sale of energy and their mark-to-market valuation using forward price curves. The result of future commitment contracts presents volatility associated with energy price fluctuation, generating market price risk.

The management of market price risk is carried out through the determination and daily monitoring of the risk respecting the limits approved by the Management of EDP Brazil, and framed within the Risk Management Policy of the EDP Group, for the purchase and sale of energy using a methodology established in the Energy Risk Policy. The methodology adopted is a VaR (Value at Risk) with 95% confidence that considers a forward curve of market prices, the exposure of the portfolio (difference between purchase and sell) and the volatility and liquidity observed in the free market for each period.

For sensitivity analysis, the exposure of portfolio of operations is evaluated through 25% and 50% changes in the forward curve of market energy prices. Below shows the scenario with the highest probability of occurrence (25%).

Thousand Euros	Dec 2022		Dec 2021	
	+ 25%	- 25%	+ 25%	- 25%
Differences Settlement Price – PLD	-4,251	3,561	-1,795	1,795

Capital management

EDP is not an entity subject to regulation in terms of capital or solvency ratios. Therefore, capital management is carried out within the financial risk management process of the entity.

Additionally, management describes this aspect of its strategic objectives, policies and processes to manage risks, including the financial risks, in the chapters of the Annual Report of 2022:

Part I – 02 Strategic Approach

2.3 Risk Management: Key Risks – Financial; Risk Appetite – Financial; and

2.4. Strategic Guidelines Compliance – Sustainable Financial Leveraging.

Part III – Corporate Governance

53 The main types of economic, financial and legal risk – Financial risks.

The Group's goal in managing capital is to safeguard the Group's capacity to continue operating as a going concern, grow steadily to meet established objectives and maintain an optimum capital structure to reduce equity cost.

In conformity with other groups operating in this sector, the Group controls its financing structure based on several control mechanisms and ratios.

6. Consolidation perimeter

During the year of 2022, the following changes occurred in the EDP Group consolidation perimeter:

Companies acquired:

The following acquisitions were classified as asset purchases, out of scope of IFRS 3 – Business Combinations, due to the substance of these transactions, the type of assets acquired and the very early stage of the projects:

Acquiring company	Acquired company	Acquired %	Obs.
EDP Renováveis Brasil, S.A.	Central Geradora Fotovoltaica Zebu Ltda.	100%	
	Solar Barra I to IV, S.A. (4 companies)	100%	
	Eólica Barra I to XI, S.A. (11 companies)	100%	
	Central Solar Presidente JK I, S.A.	100%	
EDP Renewables Europe, S.L.U.	Szabadsolar, Kft.	100%	
	Sunglare Capture, Kft.	100%	
	Sunglare Expert, Kft.	100%	
	Napenergia, Kft.	100%	
	Aeolos Eviás Energiaki, M.A.E.	100%	
	Fravezac, S.R.L.	100%	
	EDP Renewables Germany GmbH	100%	
EDP Renewables Polska, Sp. z o.o.	Farma Fotowoltaiczna Radziejów, Sp. z o.o.	100%	
	Farma Fotowoltaiczna Ujazd, Sp. z o.o.	100%	
	Farma Fotowoltaiczna Warta, Sp. z o.o.	100%	
	Farma Fotowoltaiczna Wielkopolska, Sp. z o.o.	100%	
	Farma Fotowoltaiczna Budzyn, Sp. z o.o.	100%	
	Farma Fotowoltaiczna Dobrzyca, Sp. z o.o.	100%	
EDP Comercial – Comercialização de Energia, S.A.	Youco F22-H416 Vorrats-GmbH	100%	
	EDP Renováveis, S.A.	Parque Solar Fotovoltaico El Copey, S.A.S. E.S.P.	100%
EDP Renewables Italia Holding, S.R.L.	Solar Italy I, II and IV, S.r.l.	100%	
	Solar Italy I	100%	
	Solar Italy II, S.r.l.	100%	
	Solar Italy IV, S.r.l.	100%	
EDP Renewables España, S.L.U.	Rocio Hive, S.L., Palma Hive, S.L. and Pedregal Hive, S.L.	100%	
	Rocio Hive, S.L.	100%	
	Palma Hive, S.L.	100%	
	Pedregal Hive, S.L.	100%	
Sunseap Group Pte. Ltd.	DKT Energy Investment Company Ltd (including 12 subsidiaries)	100%	
	Long Dai Phat Investment Company Ltd (including 7 subsidiaries)	100%	
	Dongguan Jiehuang New Energy Technology Co., Ltd.	100%	
	Heze Dechen New Energy Co., Ltd.	100%	
	Hubei Jianghui New Energy Co., Ltd.	100%	
	Qinghe County Xinou Funeng New Energy Technology Co., Ltd.	100%	
	Wuhan Panshuo Energy Technology Co., Ltd.	100%	
	Tianjin Xingrun Energy Development Co., Ltd.	100%	
	Wuxi Lingzhong New Energy Technology Co., Ltd.	100%	
	Suzhou Xingyi Energy Engineering Co., Ltd.	100%	
	Tianjin Xingsheng Energy Development Co., Ltd.	100%	
	Weihai Deao New Energy Technology Co., Ltd.	100%	
	Zhenjiang Ruichengda New Energy Co., Ltd.	100%	
	Yancheng Qingneng Power Technology Co., Ltd.	100%	
	Thai-Sunseap Co., Ltd. (including 2 subsidiaries)	18%	(1)
	PT Right People Renewable Energy	100%	
	Suzhou Liansong New Energy Technology Co., Ltd.	100%	
Chongqing Xingzhi New Energy Technology Co., Ltd.	100%		
23 companies in North America	100%		

(1) Sunseap Group Pte. Ltd. acquired a 18% stake in the company Thai Sunseap, in which it already held a 49% stake, increasing the participation in this company to a 67% stake and obtaining control over the company.

Additionally, the following companies were acquired in the scope of IFRS 3 – Business Combinations:

- EDP Energias do Brasil, S.A. acquired 99.99% of Celg Transmissão, later renamed EDP Transmissão Goiás S.A., for a value of 2,114 million Brazilian Reais (375 million Euros). With reference to the acquisition date, the book value of net assets in this portfolio amounted to 1,071 million Brazilian Reais (170 million Euros) and the assets purchase price allocation exercise has been carried out in accordance with the external valuation report issued (see notes 18 and 49);
- In the first quarter of 2022, EDP Renováveis, S.A. acquired a 91.4% stake in a distributed solar generation portfolio, Sunseap Group Pte. Ltd., located in Southeast Asia, that allows EDP to set up to 10 GW of solar projects, for a value of 659,658 thousand Euros. In addition, during the second quarter of 2022, through a capital increase, EDP Renováveis, S.A. increased its stake in the acquired company to 92.28%.
In the third quarter of 2022, as a result of the put options agreed between the parties, the remaining stake in Sunseap Group Pte. Ltd. has been recognised and the stake held by EDP Renováveis, S.A. in this company increased to 100%. A liability in the amount of 56,442 thousand Euros, corresponding to the options exercise price, has been recognised (see note 39).
With reference to the acquisition date, the book value of net assets of this portfolio amounted to 136,085 thousand Euros and the assets purchase price allocation exercise has been carried out in accordance with their fair value valuation (see notes 19 and 49);
- In the third quarter of 2022, Sunseap Group Pte. Ltd. acquired from Xuan Thien Group a 99.99% stake in the companies Xuan Thien Ninh Thuan JSC and Xuan Thien Thuan Bac JSC, which own operating solar PV projects located in Southeast Asia, for an amount of 202,298 thousand Euros, which includes 41,288 thousand Euros recognised as contingent price (see note 39).
With reference to the acquisition date, the book value of the net assets of this portfolio amounted to 80,263 thousand Euros and the assets purchase price allocation exercise has been carried out in accordance with their fair value valuation (see notes 19 and 49);
- In the fourth quarter of 2022, EDP Renewables Europe, S.L.U. acquired a 100% stake in Kronos Solar Projects GmbH. and its subsidiaries, a solar generation portfolio with 9,4GW under development located in Germany, Netherlands, France and UK, for an amount of 663,030 thousand Euros. This amount includes 341,996 thousand Euros related to put options and 71,035 thousand Euros corresponding to the payable success fees estimation (see note 39).
With reference to the acquisition date, the book value of the net assets of this portfolio amounted to 11,373 thousand Euros (see notes 19 and 49);
- EDP Energia Polska acquired 100% of the companies SOON Energy Polska sp z.o.o. and Zielona-Energia (see note 19);
- Hidroelétrica do Guadiana, S.A. acquired 100% of a company in Portugal; and
- EDP Renováveis, S.A., through a North American subsidiary and through several stand-alone transactions, acquired the 100% stake in a distributed solar generation portfolio, which includes 99.3 MW solar operational projects, in 84 companies, for an amount of 132,992 thousand Euros. The assets purchase price allocation exercise, in accordance with their fair value valuation, has been carried out for some of the transactions (see notes 19 and 49).

Sale of companies / investments:

Entity holding the stake	Company / investment sold	% sold	Previous %	Obs.
Sale of companies without loss of control				
EDP España Renovables, S.L.U.	Desarrollos Renovables de Teruel, S.L.	49%	100%	
Sale of companies with loss of control				
EDP Inovação, S.A.	CEO - Companhia de Energia Oceânica, S.A.	47%	52.07%	(2)
Companies sold				
	Winfan, Sp. z o.o.	100%	100%	
	Lichnowy Windfarm, Sp. z o.o.	100%	100%	
EDP Renewables Polska, Sp. z o.o.	Kowalewo Wind, Sp. z o.o.	100%	100%	(3)
	EWP European Wind Power Krasin, Sp. z o.o.	100%	100%	
	Nowa Energia 1, Sp. z o.o.	100%	100%	
	Farma Wiatrowa Bogoria, Sp. z o.o.	100%	100%	
EDP Renovables España, S.L.U.	Parc Eòlic Serra Voltorera, S.L.U.	100%	100%	(4)
	Eólica La Janda, S.L.U.	100%	100%	
	WinCap, S.R.L.	100%	100%	
	TACA Wind, S.R.L.	100%	100%	
EDP Renewables Italia Holding, S.R.L.	San Mauro, S.R.L.	75%	75%	(5)
	Conza Energia, S.R.L.	100%	100%	
	Lucus Power, S.r.l.	100%	100%	
	Breva Wind, S.r.l.	100%	100%	
	Aria del Vento	100%	100%	
EDP Renováveis Brasil, S.A.	Aventura Holding, S.A.	100%	100%	
	Central Eólica Aventura II to V, S.A. (4 companies)	100%	100%	(6)
	SRMN Holding, S.A.	100%	100%	
	Central Eólica SRMN I to V, S.A. (5 companies)	100%	100%	
EDP Energias do Brasil, S.A.	Energest, S.A. ("Usina Hidroelétrica de Mascarenhas")	100%	100%	(7)
EDP International Investments and Services, S.L.	Hydro Global Investment Limited	50%	50%	(8)
EDP Renewables Europe, S.L.U.	Moray West Holdings Limited	33%	33%	(9)
	7 companies in North America	100%	100%	(10)

(2) Sale with loss of control, maintaining EDP Inovação, S.A. a 5% financial interest in the company, which is recognised as an Equity Instrument at Fair Value through Other Comprehensive Income.

(3) In the second quarter, these shares were sold for 84,983 thousand Euros, generating a gain of 51,982 thousand Euros (see note 8).

(4) Sale occurred in the second quarter for an amount of 207,018 thousand Euros. The transaction generated a gain amounting to 42,596 thousand Euros (see notes 8 and 19).

(5) In the third quarter, these shares were sold for a net amount of 293,027 thousand Euros (sale proceeds of 432,239 thousand Euros, deducted of loans). This transaction generated a gain of 168,568 thousand Euros (see note 8).

(6) Sale occurred in the fourth quarter, with total shares proceeds amounting to 184,778 thousand Euros, generating a gain of 119,085 thousand Euros (see note 8).

(7) In the fourth quarter, this investment has been sold for a total amount of 130,086 thousand Euros (707,655 thousand Brazilian Reais) and generated a total gain of 50,647 thousand Euros, which was booked as a gain against reserves, by allocation of exchange differences reserves, in the amount of 60,034 thousand Euros, and as a loss in Other costs in the amount of 9,387 thousand Euros (see note 11).

(8) Disposal of joint venture for a total amount of 68 million US Dollars, which converted into Euros and discounted cash flows corresponds to an amount of 58 million Euros as at 31 December 2022, generating a gain of 13,764 thousand Euros (see note 8).

(9) Sale of a direct stake held in the joint venture to OW Offshore, S.L., for a total amount of 33,825 thousand Euros (30,000 thousand British Pounds), generating a gain of 16,981 thousand Euros (see note 21).

(10) Includes the sale, by EDP Renewables North America LLC, of its 100% stake in the Indiana Crossroads Solar Park project, for the amount of 281,563 thousand Euros (296,500 thousand US Dollars), generating a gain of 15,791 thousand Euros (see note 8).

Companies liquidated:

Entity holding the stake	Liquidated company	Previous %	Obs.
Viesgo Renovables, S.L.U.	Northeolic Monte Buño, S.L.	75%	
Sunseap Group Pte. Ltd.	Xuzhou Yiyundian New Energy Technology Co., Ltd.	90.47%	
	Yuzhou Sunseap Energy Technology Co., Ltd.	100%	
EDP Iberia, S.L.	ENAGÁS - S.G.P.S., S.A.	60%	

Companies merged:

Acquiring company	Merged company	Previous %	Obs.
EDPR PT - Promoção e Operação, S.A.	Eoliser - Serviços de Gestão para Parques Eólicos, Lda.	100%	
EDP Redes España, S.L.U.	Fresco Redes International, S.L.	75.10%	
	Fresco Redes Investments, S.L.U.	100%	
Viesgo Distribución Eléctrica, S.L.	IE2 HoldCo, S.A.	100%	
	Viesgo Holdco, S.A.	100%	

Companies incorporated:

Company	Company
EDPR Cross Solutions, S.A.	H2 Soto, S.A.U.
EDPR Korea, Ltd.	H2 Aboño, S.A.U.
EDPR Sicilia Uno, S.r.l.	H2 Los Barrios, S.A.U.
EDPR Sicilia Due, S.r.l.	ENERGIA I SPE S.A.
EDPR Sardegna, S.r.l.	ENERGIA SPE II S.A.
EDPR Sud Italia, S.r.l.	Eólica da Coutada II, S.A.
EDPR Puglia Uno, S.r.l.	Central Solar Presidente JK II to XII, S.A. (11 companies)
EDPR Puglia Due, S.r.l.	Central Eólica Borborema I to IV, S.A. (4 companies)
EDPR Basilicata, S.r.l.	Central Eólica Asas de Zabelê I to VII, S.A. (7 companies)
Fotovoltaica Flutuante do Grande Lago, S.A.	Central Solar Zebu II to IX, S.A. (8 companies)
Eoles Montjean, S.A.S.	Central Eólica Itaúna I to II, S.A. (2 companies)
Central Geradora Fotovoltaica Monte Verde Solar I, S.A.	Central Eólica São Domingos I to III, S.A. (3 companies)
Central Geradora Fotovoltaica Monte Verde Solar VI, S.A.	Sounding Creek Solar Park GP Ltd.
Desarrollos Renovables de la Frontera, S.L.	Sounding Creek Solar Park LP
Desarrollos Renovables de Allande, S.L.U.	Edgeware BESS Project GP Ltd.
Energia Solar II SPE LTDA.	Edgeware BESS Project LP
Qingdao Xingqi Energy Co., Ltd.	Hytlantic, S.A. (11)
Rongcheng Xingyi New Energy Technology Co., Ltd.	Sunseap China Energy (Qingdao) Co., Ltd.
45 companies in North America	RL Sunseap Energy Sdn. Bhd. (12)

(11) 28.5% held through EDP Renewables SGPS.

(12) 49% held through Sunseap Energy (Malaysia) Sdn. Bhd.

Other changes:

- EDP Renováveis, S.A. acquired 50% of the companies Lomartico Investments, Sp. z o.o., Medsteville Investments, Sp. z o.o. and Ondentille Investments, Sp. z o.o. These acquisitions have been considered as joint ventures in accordance with the terms of the Shareholders' Agreement signed between the parties, which evidence the existence of joint control of the company;
- EDPR France Holding, S.A.S. acquired 51% of the company Centrale Eolienne D'Occey, S.A.S., which has been considered as a joint venture in accordance with the terms of the Shareholders' Agreement signed between the parties, which evidence the existence of joint control of the company;
- In December 2022, EDP Renováveis, S.A. acquired an additional 15% stake in the subsidiary OMA Haedori Co., Ltd., now holding 75% in this company; and
- In the last quarter of 2022, an additional 5% stake in the subsidiary Ceparstur, A.I.E. was acquired, whereby the investment in this company increased to 100%.

The companies included in the consolidation perimeter of EDP Group as at 31 December 2022 are disclosed in Annex I.

7. Revenues and cost of Energy Sales and Services and Other

Revenues from energy sales and services and other are as follows:

Thousand Euros	Group		Company	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Energy and access	19,061,010	13,774,589	7,431,624	4,277,707
Revenue from assets assigned to concessions	813,943	709,052	-	-
Other	775,811	499,268	1,652,603	924,257
	20,650,764	14,982,909	9,084,227	5,201,964

Revenues from energy sales and services and other, by geographical market, for the Group, are as follows:

Thousand Euros	Dec 2022					
	Portugal	Spain	Brazil	USA	Other	Group
Energy and access	8,030,223	6,694,555	2,435,584	658,314	1,242,334	19,061,010
Revenue from assets assigned to concessions	265,677	-	548,266	-	-	813,943
Other	514,566	44,146	165,388	34,773	16,938	775,811
	8,810,466	6,738,701	3,149,238	693,087	1,259,272	20,650,764

Thousand Euros	Dec 2021					
	Portugal	Spain	Brazil	USA	Other	Group
Energy and access	6,406,904	3,869,408	2,436,152	563,951	498,173	13,774,589
Revenue from assets assigned to concessions	252,406	-	456,647	-	-	709,052
Other	271,222	99,180	106,989	16,364	5,514	499,268
	6,930,532	3,968,588	2,999,788	580,315	503,687	14,982,909

The caption Energy and access in Portugal, on a consolidated basis, includes a net cost of 396,869 thousand Euros (revenue in 31 December 2021: 232,552 thousand Euros) regarding tariff adjustments of the period (see notes 26 and 38). This caption also includes, in Brazil, a net cost of 112,420 thousand Euros (31 December 2021: net revenue of 91,111 thousand Euros) related to recognition of tariff adjustments for the period in Brazil (see note 38).

Additionally, the caption Energy and access includes, on a consolidated basis, a positive amount of 45,271 thousand Euros (31 December 2021: positive amount of 51,529 thousand Euros) related to the contractual stability compensation (CMEC) as a result of the power purchase agreements (PPA) termination, including an income of 19,566 thousand Euros related to the CMEC final adjustment (31 December 2021: positive amount of 19,282 thousand Euros), net from the recognised provision due to the final adjustment official approval.

The caption Others includes, on a consolidated and individual basis, 523,653 thousand Euros (31 December 2021: 241.605 thousand Euros) and 1,426,709 thousand Euros (31 December 2021: 749.759 thousand Euros), respectively, related to the sale of CO2 licenses.

The caption Energy and network access, on a company basis, includes 2,152,785 thousand Euros (31 December 2021: 1,140,333 thousand Euros) related with energy sales under the purchase and sale agreement of evolutive energy between EDP, S.A. and EDP Comercial S.A.

The breakdown of Revenues from energy sales and services and other by segment, are as follows (see note 51 – Operating Segments):

Thousand Euros	Dec 2022					
	Reported Operating Segments				Other Segments	Group
	Renewables	Networks	Client Solutions & Energy Managt.	Total		
Energy and access	1,823,490	639,547	16,598,015	19,061,052	-42	19,061,010
Revenue from assets assigned to concessions	-	813,721	221	813,942	1	813,943
Other	96,104	101,920	565,192	763,216	12,595	775,811
	1,919,594	1,555,188	17,163,428	20,638,210	12,554	20,650,764

Thousand Euros	Dec 2021					
	Reported Operating Segments				Other Segments	Group
	Renewables	Networks	Client Solutions & Energy Managt.	Total		
Energy and access	1,286,677	1,343,149	11,144,770	13,774,596	-7	13,774,589
Revenue from assets assigned to concessions	-	709,029	24	709,053	-1	709,052
Other	65,089	122,865	294,181	482,135	17,133	499,268
	1,351,766	2,175,043	11,438,975	14,965,784	17,125	14,982,909

The segment "Client Solutions & Energy Management" includes sales of renewable energy, hydro and wind, carried out by EDP SA's energy management business unit, as part of its intermediation activity.

Revenues from energy sales and services and other by segment are considered globally as "overtime" and not as "at a point in time".

Cost of energy sales and other are as follows:

Thousand Euros	Group		Company	
	Dec 2022	Dec 2021*	Dec 2022	Dec 2021
Cost of energy	10,438,274	7,544,255	6,028,210	3,299,117
Expenditure with assets assigned to concessions	631,054	589,634	-	-
Changes in inventories and cost of raw materials and Consumables used				
Fuel, steam and ashes	609,930	401,558	-	-
CO2 Licenses	1,203,024	460,639	1,424,142	741,768
Gas and other costs	1,647,431	1,079,661	1,313,895	1,099,048
	3,460,385	1,941,858	2,738,037	1,840,816
	14,529,713	10,075,747	8,766,247	5,139,933

* Includes restatement originated by changing the classification of the Social Tariff Costs as described in note 2a)

As a result of this Contract celebrated between EDP and EDP Produção (see note 43), EDP will fully assume the economic risks and benefits associated with the dispatch of electricity production and subsequent placing on the market, ceasing the volatility associated with price and volume variation related to electricity and fuels, inherent to the contractual relationships maintained previously with EDP Produção, so with reference to 31 December 2022, and on an individual basis, part of the hedges for the purchase of electricity in the amount of 723,432 thousand Euros was discontinued, since the hedged future transactions will not occur.

Cost of electricity includes, on a company basis, includes the cost of 2,203,812 thousand Euros (31 December 2021: 1,167,199 thousand Euros) with the purchase of energy under the agreement for management, purchase and resale of energy signed between EDP, S.A. and EDP Gestão da Produção de Energia, S.A.

The variation in the caption Gas and other costs essentially refers to the rise in the price of gas compared to the same period last year.

Under the terms of concession contracts of EDP Group to which IFRIC 12 is applicable, the construction activities are outsourced to external specialised entities. The revenue and the expenditure with the acquisition of these assets are as follows:

Thousand Euros	Group	
	Dec 2022	Dec 2021
Revenue from assets assigned to concessions	813,943	709,052
Expenditure with assets assigned to concessions		
Subcontracts and other materials	-550,833	-456,112
Personnel costs capitalised (see note 10)	-75,779	-75,706
Capitalised borrowing costs (see note 13)	-4,442	-57,816
	-631,054	-589,634

Revenue from assets assigned to concessions include 548,829 thousand Euros (31 December 2021: 424,545) relative to electricity distribution concessions in Portugal and in Brazil resulting from the application of the mixed model. Additionally, it also includes the revenue related to the asset to be received by EDP Group under the transmission concessions in Brazil (see note 26).

The main variations on the captions Revenues and cost of Energy Sales and Services and Other are described in the Part I – Performance mainly in 3.3 – Business area analysis and 3.4 Group's financial analysis.

8. Other income

Other income, for the Group, are as follows:

Thousand Euros	Group	
	Dec 2022	Dec 2021
Income arising from institutional partnerships (see note 37)	233,505	177,205
Gains on disposals – electricity business assets – Asset Rotation	411,372	586,988
Gains from contractual indemnities and insurance companies	71,537	39,956
Other	211,036	219,839
	927,450	1,023,988

Income arising from institutional partnerships relates to income arising from production and investment tax credits (PTC/ITC), mostly from accelerated tax depreciation, regarding wind farms and solar plants in North America (see note 37).

The caption Gains on disposals – electricity business assets – Asset Rotation corresponds to gains from asset rotation strategy. This strategy aimed at crystallizing the value of a project by selling with loss of control, and reinvesting the proceeds in another projects, targeting greater growth. As at 31 December 2022, the caption includes: i) the gain in the amount of 42,596 thousand Euros resulting from the sale of two companies 100% owned by EDP Renovables España, S.L.U (see note 6); ii) a gain of 51,982 thousand Euros, resulting from the sale of six companies fully owned by EDP Renovables Polska, Sp. z o.o. (see note 6); iii) a gain in the amount of 168,568 thousand Euros resulting from the sale of seven companies owned by EDP Renewables Italia Holding S.R.L. (see note 6); iv) a gain of 119,085 thousand Euros, resulting from the sale of eleven companies fully owned by EDP Renováveis Brasil S.A. (see note 6); and v) a gain in the amount of 15,791 thousand Euros resulting from the sale of one company owned by EDP Renewables North America LLC (see note 6).

The caption Other includes gains on: i) reinsurance activity; ii) gains on the sale of property, plant and equipment; iii) changes in fair value of contingent prices of sales transactions; and iv) gain of 23 million Euros resulting from a favorable decision by the Regional Economic-Administrative Court of the Principality of Asturias in favor of EDP España relating to the fee for the use of the public hydric domain called "Canon hidráulico".

9. Supplies and services

Supplies and services are as follows:

Thousand Euros	Group		Company	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Consumables and communications	34,182	29,114	6,470	6,262
Rents and leases	53,034	37,302	4,969	5,425
Maintenance and repairs	424,092	342,835	27,434	19,192
Specialised works:				
- Commercial activity	179,800	142,433	21	217
- IT services, legal and advisory fees	165,547	163,980	78,861	79,435
- Other services	88,658	61,439	32,928	28,282
Provided personnel	-	-	8,573	8,052
Other supplies and services	158,355	111,851	36,073	22,691
	1,103,668	888,954	195,329	169,556

10. Personnel costs and employee benefits

Personnel costs and employee benefits are as follows:

Thousand Euros	Group		Company	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Personnel costs				
Board of Directors remuneration	17,379	16,424	5,597	5,758
Employees' remuneration	573,279	488,711	50,617	45,948
Social charges on remuneration	133,603	119,546	12,774	11,457
Performance, assiduity and seniority bonus	131,077	97,710	19,063	18,713
Other costs	31,746	21,350	2,496	1,503
Own work capitalised:				
- Assigned to concessions (see note 7)	-75,779	-75,706	-	-
- Other (see note 16)	-126,948	-93,494	-9,613	-9,360
	684,357	574,541	80,934	74,019
Employee benefits				
Pension plans costs	24,175	20,636	1,656	1,486
Medical plans costs and other benefits (see note 35)	5,647	6,867	11	208
Pension plans past service cost (Curtailment/Plan amendments) (see note 35)	2,243	6,844	-	-
Other benefits plans past service cost (Curtailment/Plan amendments) (see note 35)	1,053	8,469	-	-
Other	53,325	49,102	5,495	4,939
	86,443	91,918	7,162	6,633
	770,800	666,459	88,096	80,652

Pension plans costs include 3,891 thousand Euros (31 December 2021: 5,221 thousand Euros) related to defined benefit plans (see note 35) and 20,284 thousand Euros (31 December 2021: 15,415 thousand Euros) related with defined contribution plans.

During the first semester of 2022, EDP Group distributed treasury stocks to employees (736,991 shares) totaling 3,272 thousand Euros.

The breakdown by management positions and category of professional staff is as follows:

	Group		Company	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Executive Board of Directors	5	5	5	5
Senior management	386	962	68	113
Managers	1,323	865	62	18
Specialists	6,469	5,276	524	463
Support, Operational and Administrative Technicians	5,028	5,128	60	70
	13,211	12,236	719	669

Variations compared to December 2021 include the impact resulting from the review of the internal organizational structure, which implied the creation of new segments.

11. Other expenses

Other Expenses are as follows:

Thousand Euros	Group	
	Dec 2022	Dec 2021*
Concession rents paid to local authorities and others	286,968	281,209
Direct and indirect taxes	374,965	300,326
Donations	21,570	21,219
Write-off of tangible assets	40,591	31,195
Other	105,630	94,016
	829,724	727,965

* Includes restatement originated by changing the classification of the Social Tariff Costs as described in note 2a)

The caption Concession rents paid to local authorities and others includes essentially the rents paid to the local authorities under the terms of the low tension electricity distribution concession contracts and rents paid to city councils where the power plants are located.

The increase in the caption Direct and indirect taxes essentially results from the new taxes on generation in Spain, as a result of the legislation issued in September 2021 to reduce the impact of the high price of gas on the sale price of generation and the regulatory changes in Spain regard to the Social Tariff in 2022 and in Romania and Poland regarding to Windfall taxes in 2022.

The caption "Write-off" of tangible fixed assets includes, essentially, the write-off of tangible fixed assets resulting from losses in materials and equipment in Brasil and the abandonment of the renewable projects in Europe and North America.

The caption Other includes, essentially: i) losses on the reinsurance activity; and ii) losses on the sale of property, plant and equipment. It also includes, in 2022, a loss of 9,387 thousand Euros related to the sale of the stake in Energest, S.A. (see note 6) and the amount of 5,815 thousand Euros related to changes in the fair value of the contingent prices, related to operations carried out in previous years.

12. Amortisation and impairment

Amortisation and impairment are as follows:

Thousand Euros	Group		Company	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Depreciation/impairment of Property, plant and equipment (see note 16)	1,371,272	1,214,239	6,156	5,519
Depreciation/impairment of Right of use asset (see note 17)	113,380	77,640	5,219	5,661
Amortisation/impairment of Intangible assets (see note 18)	514,968	449,362	19,359	16,673
	1,999,620	1,741,241	30,734	27,853
Amortisation/impairment of Investment property (see note 23)	289	297	4,225	3,796
	1,999,909	1,741,538	34,959	31,649
Compensation of depreciation				
Partially-funded property, plant and equipment (see note 38)	-28,579	-22,517	-	-
Amortisation of Incremental costs of obtaining contracts with customers	7,677	7,747	-	-
Impairment of Goodwill (see note 19)	-	4,987	-	-
	1,979,007	1,731,755	34,959	31,649

During 2022, due to the revision of market assumptions (in mainly, commodity prices and energy sales prices), as well as the entry of renewable energy capacity, the Group carried out a review of its future estimates of value by carrying out impairment tests for some of the production assets.

The above impairment tests carried out led to the recording of the following impairments on assets in Portugal: 81,740 thousand Euros in the Lares combined cycle thermoelectric power plant and 43,666 thousand Euros in the Ribatejo combined cycle thermoelectric power plant. Impairments were also recorded in Brazil at the Pecém plant (233,125 thousand Euros) and in Colombia at the wind farms of Eolos Energia and Ventos de Norte (54,088 thousand Euros) (see notes 16 and 18).

In the scope of impairment tests on these assets, sensitivity analyzes were performed on key variables, namely discount rates. An increase of +0.5% in the discount rate would determine an additional impairment of approximately: 8,579 thousand Euros in Lares, 10,668 thousand Euros in Ribatejo, 7,643 thousand Euros in Pecém and 49,776 thousand Euros in Eolos Energia wind farms and Ventos del Norte in Colombia.

Additionally, given the changes in market conditions, impairments amounting to 39,305 thousand in the coal-fired power plant in Espanhã Aboño 2 and 40,976 thousand in the coal-fired power plant in Soto3 were reversed (see note 16).

13. Financial income and expenses

Financial income and expenses, for the Group, are as follows:

Thousand Euros	Group	
	Dec 2022	Dec 2021
Financial income		
Interest income from bank deposits and other investments	80,689	15,097
Interest from derivative financial instruments	33,600	16,558
Interest income on tariff deficit:		
- Portugal - Electricity (see note 26)	111	2,733
- Brazil - Electricity (see note 38)	16,664	6,057
Other interest income	65,002	53,476
Derivative financial instruments	223,328	53,936
Foreign exchange gains	353,572	100,746
CMEC:		
- Interest on the initial CMEC	23,950	27,336
- Financial effect considered in the calculation	7,147	7,198
Other financial income	38,937	81,746
	843,000	364,883
Financial expenses		
Interest expense on financial debt	705,812	523,928
Bonds buyback	-	24,248
Capitalised borrowing costs:		
- Assigned to concessions (see note 7)	-4,442	-57,816
- Other (see note 16)	-41,405	-33,086
Interest from derivative financial instruments	134,765	33,411
Interest expense on tariff deficit:		
- Portugal - Electricity (see note 38)	4,484	53
- Brazil - Electricity (see note 38)	16,079	3,989
Other interest expense	40,063	22,435
Derivative financial instruments	259,167	106
Foreign exchange losses	356,958	126,165
CMEC	5,231	7,681
Unwinding of discounted liabilities	140,955	123,248
Unwinding of lease liabilities (see note 39)	46,146	39,511
Net interest on the net pensions plan liability (see note 35)	5,132	3,300
Net interest on the medical liabilities and other benefits (see note 35)	14,985	13,290
Other financial expenses	69,290	45,353
	1,753,220	875,816
Financial income/(expenses)	-910,220	-510,933

Capitalised borrowing costs includes the interest capitalised in assets under construction according to Group accounting policy (see note 2 h)). Regarding the rate applicable to borrowing costs related with tangible/intangible assets under construction that is used in the determination of the amount of borrowing costs eligible for capitalisation (see notes 16 and 18), it varies depending on business unit, the country and currency, since EDP Group incorporates in its scope of consolidation a significant number of subsidiaries in several geographies with different currencies. Therefore, for the most representative geographies, the weighted average funding rates, in use in 2022, ranged from 1.22% to 6.66% in Portugal, from 1.05% to 6.79% in Spain and from 0.44% to 7.75% in North America, depending on related assets under construction and related financing.

The costs related to the Unwinding liabilities at discounted value refer essentially to: (i) the financial update of the provision for dismantling and decommissioning of production assets in the amount of 6,609 thousand Euros (31 December 2021: 3,753 thousand Euros) (see note 36); (ii) the implied financial return in institutional partnerships of 96,955 thousand Euros (31 December 2021: 79,023 thousand Euros) (see note 37); and (iii) the financial expenses related to the discount of the liability associated to the concessions of Alqueva/Pedrogão, Investco and Enerpeixe of 20,700 thousand Euros (31 December 2021: 26,256 thousand Euros).

The Derivative financial instruments caption includes income and expenses related with financial assets and liabilities measured and fair value through profit and loss, while the remaining captions of financial income and expenses are registered at amortised cost, based on the effective interest rate method.

In the third quarter of 2021, under the agreement entered into with Sonatrach with a view to ending commercial relations between the companies, it was agreed a debt cancellation that EDP had with Sonatrach companies in the amount of 79 million of Euros for a payment of 15 million Euros. The impact of this operation is included in the Caption Other Financial Income.

Financial income and expenses, for the Company, are as follows:

Thousand Euros	Company	
	Dec 2022	Dec 2021
Financial income		
Interest income from loans to subsidiaries and related parties (see note 44)	35,873	37,906
Interest from derivative financial instruments	106,745	81,127
Derivative financial instruments	444,047	164,763
Income from equity investments (see note 44)	1,003,733	1,164,310
Other financial income	60,030	11,210
	1,650,428	1,459,316
Financial expenses		
Interest expense on financial debt	194,411	195,422
Bonds Buyback	17,882	16,525
Interest from derivative financial instruments	119,570	102,457
Derivative financial instruments	425,300	136,176
Unwinding of lease liabilities	5,874	4,949
Impairment on equity investments and shareholders loans (see note 20)	26,630	-
Other financial expenses	69,058	19,010
	858,725	474,539
Financial income/(expenses)	791,703	984,777

On March 2022, EDP S.A. has bought an amount of 900 million Euros from the issue "EUR1.500.000.000 Fixed Rate Notes due Dec 2022", booking a cost related to the transaction of 17,882 thousand Euros.

On December 2021, EDP S.A. has bought an amount of 150 million Euros from the issue "EUR1.000.000.000 Fixed Rate Notes due 2025", booking a cost related to the transaction of 16,525 thousand Euros.

The caption Other financial income includes 14,911 thousand Euros related to nominal interests from bonds issued by EDP Finance B.V., repurchased by EDP S.A. (see notes 27 and 44). The effective interest of these instruments amounts to 1,111 thousand Euros (includes the recognition of premium and transaction costs associated with the buyback transaction by the effective interest rate method).

The fluctuation on Other financial income and expenses, on an individual basis, is mainly explained by the impact of the foreign exchange of the American Dollars.

14. Income tax

The following note includes an analysis on the reconciliation between the theoretical and the effective income tax rate applicable at an individual level and at the level of the EDP Group, on a consolidated basis. In general terms, this analysis aims to quantify the impact of the income tax, recognised in the income statement, which includes both current and deferred tax.

As the EDP Group prepares and discloses its financial statements in accordance with IFRS, an alignment between the accounting of income tax expense or income and the corresponding cash flow is not mandatory. Accordingly, this analysis does not represent the income tax paid or received by the EDP Group for the correspondent reporting period.

The overall tax contribution borne by the EDP Group (which includes comments on the contributions paid to the respective states where the Group operates), as well as other relevant information (such as EDP Group's tax footprint, specific taxation over energy sector and procedures to control and manage adverse tax exposures), are disclosed on the annual Integrated Report, available on EDP website (www.edp.com).

The general principles concerning EDP Group's mission and tax policy are also addressed in the same report. This document also describes the key principles with respect to transfer pricing policy applicable to the EDP Group, under which the Group's policy is to abide within the international rules, guidelines and best practices applicable in the various geographies where it operates.

It should be noted that, as a multinational group, the EDP Group fully complies with the annual obligation of communication and report, which results from the transposition to the Portuguese domestic Law of the disposals of Action 13 of the Base Erosion and Profit Shifting (named Country-by-Country Reporting), as a part of a set of measures adopted by OECD and G20 countries to enhance transparency for tax administrations. Furthermore, this obligation is fulfilled in Portugal by the parent company, within the deadlines foreseen by law.

Main features of the tax systems of the countries in which EDP Group operates

The statutory corporate income tax rates applicable in the main countries in which EDP Group operates are as follows:

	Dec 2022	Dec 2021
Europe:		
Portugal	21% - 31,5%	21% - 31,5%
Spain	24% - 25%	24% - 25%
Netherlands	25.8%	25%
Belgium	25%	25%
France	25%	26,5% - 27,5%
Italy	24% - 28,8%	24% - 28,8%
Poland	19%	19%
Romania	16%	16%
United Kingdom	19%	19%
Asia		
Singapore	17%	17%
Vietnam	20%	20%
America:		
Brazil	34%	34%
United States of America	24.91%	24.91%
Canada	26.5%	26.5%
Mexico	30%	30%

EDP Group companies are taxed, whenever possible, on a Group consolidated basis as allowed by the tax legislation of the respective countries.

As per the applicable legislation, in general terms, tax periods may be subject to review and reassessment by the various tax authorities during a limited number of years. Statutes of limitation differ from country to country, as follows: Portugal 4 years or, if tax losses or credits have been used, the number of years that such tax losses or credits may be carried forward; Spain 4 years; USA and The Netherlands 3 years; and Brazil 5 years. In the remaining main jurisdictions, the deadline for review and reassessment by the various tax authorities ranges between 3 and 10 years.

Tax losses generated in each year are also subject to tax authorities' review and reassessment and may be used to offset yearly taxable income assessed in the subsequent periods, in the main jurisdictions in which EDP is present, as follows: in Portugal 5 years (for tax losses of 2017 to 2019 and 2022, not being considered the years 2020 and 2021 for the purposes of this period); and 12 years (for tax losses of 2014 to 2016, the years 2020 and 2021 are also not considered for the purposes of this count), and a reduction in the annual deduction limit as a percentage of taxable income without term in the Netherlands, Spain, USA and Brazil. From 2023 onwards, in Portugal, there is no longer a time limit for reporting tax losses (including those whose reporting period is in progress on 1 January 2023). Moreover, in the Netherlands the tax losses of a given year may be used to recover current tax of the previous year with limitations. However, the deduction of tax losses in Portugal, Spain, Netherlands, USA and Brazil may be limited to a percentage of the taxable income of each period or is subject to other limitations.

EDP Group companies may, in accordance with the law, benefit from certain tax benefits or incentives in specific conditions, namely the Production Tax Credit in North America, which are the dominant form of wind remuneration in this country, and represent an extra source of revenue per unit of electricity, over the first 10 years of the asset's life. Wind facilities that qualify for the application of the Production Tax Credits prior to 1 January 2017, benefit from 100% of the credit (\$25/MWh in 2020 and in 2021, being adjusted to inflation in subsequent years). The credit amount is reduced by 20% for wind facilities qualifying in 2017, 40% in 2018 and 60% in 2019. Additional legislation in 2020 and 2021 extended the aforementioned regime to wind facilities, with start of construction in 2020 or 2021, attributing 60% of the tax credit amount.

Additionally, EDP Group companies benefit from the Investment Tax Credit which avails solar projects to a credit based upon its capital expenditures. This credit amount equates to 26% for projects that start construction before 2022 and 22% for projects starting construction in 2023 as long as these projects go into service by 2025.

Relevant events for EDP Group with impact in 2022

During the course of 2021 and 2022 several European countries enacted the so called windfall taxes. In what concerns to EDP Group, as of 31 December 2022, these taxes mainly impact Romania, Poland and Italy.

In this context, governments in Romania and Poland have recently introduced emergency clawback mechanisms to restrict the revenues earned by renewable energy producers and other market participants. In Romania, a 100% tax is applied on revenues over 450 RON/MWh as well as a withholding tax on behalf of offtakers. In Poland, the clawback mechanism consists in a 100% tax on revenues above 345 PLN/MWh for wind projects under Green Certificate (GC) scheme and the corresponding strike price for projects under CfD scheme. Lastly, during 2022 was approved in Italy a retroactive increase of the windfall tax to 50% (previously set at 25%) that applied in 2022 to the portion of total income determined for corporate income tax purposes that exceeds by, at least, 10% of the average total income determined for corporate income tax purposes earned in the periods between 2018 and 2021 by producers and sellers of electricity, natural gas and petrol products. The amount of this extraordinary contribution shall not exceed 25% of the equity value of the assets at the end of 2021.

The European Union Council Regulation 2022/1854 of 6 October 2022 substantiated on a European Union wide emergency intervention to address high energy prices. While EDP Group fully acknowledges that the existing emergency situation required for extraordinary measures, the Group also considers that (i) the principle of not taxing unrealized extra-profits should always prevail and (ii) the compatibility with existing, legitimately implemented, risk management strategies, needs to be ensured. These requirements are necessary to avoid harming producers that do not actually benefit from the current high electricity prices, due to having hedged, individually or at Group level, their revenues, against fluctuations in the wholesale electricity market. These financial hedges follow the Group's established low risk strategy to secure long term revenues and to remove electricity prices volatility on the Group's earnings.

EDP will pursue all legal actions at its disposal in order to challenge the legality of these measures.

Corporate income tax provision

Income tax expense is as follows:

Thousand Euros	Group		Company	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Current tax	-374,432	-191,433	22,068	38,028
Deferred tax	-24,058	-70,459	35,602	20,456
	-398,490	-261,892	57,670	58,484

Reconciliation between the theoretical and the effective income tax expense

The effective income tax rate is as follows:

Thousand Euros	Group		Company	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Profit before tax and CESE	1,619,773	1,419,852	790,895	765,586
Income tax expense	-398,490	-261,892	57,670	58,484
Effective income tax rate	24.6%	18.4%	-7.3%	-7.6%

The difference between the theoretical and the effective income tax expense results from the application of the law provisions, in the various countries where EDP operates, in the determination of the taxable base, as demonstrated below.

The reconciliation between the theoretical and the effective income tax expense for the Group, in December 2022 and 2021, is as follows:

Thousand Euros	Dec 2022	Dec 2021
Profit before income tax and CESE	1,619,773	1,419,852
Theoretical income tax rate *	29.5%	29.5%
Theoretical income tax expense	477,833	418,856
Different tax rates (includes state surcharge) and CIT rate changes	5,212	-74,081
Tax losses and tax credits	-97,364	14,579
Dividends	-22,179	-15,327
Tax benefits	-16,520	-21,686
Differences between accounting and fiscal provisions/depreciations	80,891	11,062
Accounting/fiscal differences on the recognition/derecognition of assets	7,634	-69,764
Taxable differences attributable to non-controlling interests	-18,870	-16,576
Other adjustments and changes in estimates	-18,147	14,829
Effective income tax expense as per the Consolidated Income Statement	398,490	261,892

* Average tax rate considering the different tax rates applicable to EDP Group companies in Portugal.

The caption Differences between accounting and fiscal provisions/depreciations includes, essentially, 52,099 thousand Euros related to the permanent tax difference generated in the record of the impairment cost of Porto do Pecém Geração de Energia, S.A. and 35,732 thousand Euros related to Windfall taxes in Europe.

The caption Accounting/fiscal differences on the recognition/derecognition of assets mainly includes the impacts inherent to transactions of production and energy supply business assets, in the several geographies in which the Group operates as a result of its business activity (see note 6).

The caption Different tax rates (includes state surcharge) and CIT rate changes mainly refer to the difference between the tax rates applicable in the countries in which the EDP Group operates as compared to the tax rate used as reference for the theoretical income tax expense calculation.

The caption Taxable differences attributable to non-controlling interests (North America) include the effect inherent in the attribution of taxable income to non-controllable interests in EDPR Group in the USA, as determined by the tax legislation of that geography.

The reconciliation between the theoretical and the effective income tax expense for the Company, in 2022 and 2021, is as follows:

Thousand Euros	Dec 2022	Dec 2021
Profit before income tax	790,895	765,586
Nominal income tax rate	21%	22,5%*
Theoretical income tax expense	166,088	172,257
Tax losses and tax credits	-11,329	26,461
Dividends	-209,151	-261,970
Accounting/fiscal temporary differences on the recognition / derecognition of assets	-9,780	-
Other adjustments and changes in estimates	6,502	4,768
Effective income tax expense as per the Company Income Statement	-57,670	-58,484

* Statutory Corporate Income Tax rate applicable in Portugal (21%) and municipal surcharge (1.5%),

15. Extraordinary contribution to the energy sector (CESE)

Law 83-C/2013, of the State Budget 2014 ("Lei do Orçamento de Estado 2014"), approved by the Portuguese Government on 31 December 2013, introduced CESE, with the objective of financing mechanisms that promote the energy sector systemic sustainability, through the establishment of a fund which aims to contribute for the reduction of tariff debt and to finance social and environmental policies in the energy sector. This contribution focuses generally on the economic operators that develop the following activities: (i) generation, transmission or distribution of electricity; (ii) transportation, distribution, storage or wholesale supply of natural gas; and (iii) refining, treatment, storage, transportation, distribution and wholesale supply of crude oil and oil products.

CESE is calculated based on the companies' net assets as at 1 January, which comply, cumulatively, to: (i) property, plant and equipment; (ii) intangible assets, except industrial property elements; and (iii) financial assets assigned to concessions or licensed activities. In the case of regulated activities, CESE focuses on the value of regulated assets if it is higher than the value of those assets.

The general rate is 0.85%. However, in case of natural gas combined cycle power plants with an annual utilization equivalent of installed capacity equal or higher to 1,500 hours and lower than 3,000 hours, is expected a reduced rate of 0.565%. Nevertheless, this rate could be 0.285% in case the annual utilization of installed capacity is lower than 1,500 hours.

The CESE system has been successively extended and is now valid for 2022 through Law n° 99/2021 of 31 December.

EDP has paid 558,205 thousand Euros relating to CESE so far.

16. Property, plant and equipment

This caption is as follows, for the Group:

Thousand Euros	Land and natural resources	Buildings and other construct.	Plant and machinery	Other tangible assets	Assets under construct.	Total
Gross Amount	76,453	378,107	36,861,822	595,029	2,678,691	40,590,102
Accumulated depreciation and impairment losses	-	171,331	18,796,511	449,112	73,907	19,490,861
Carrying Amount at 31 December 2021	76,453	206,776	18,065,311	145,917	2,604,784	21,099,241
Gross Amount	99,913	419,111	38,768,166	637,055	5,196,425	45,120,670
Accumulated depreciation and impairment losses	-	188,634	20,101,125	490,341	123,763	20,903,863
Carrying Amount at 31 December 2022	99,913	230,477	18,667,041	146,714	5,072,662	24,216,807
Balance as at 1 January 2021	74,057	200,711	17,259,186	137,422	2,718,918	20,390,294
Additions	2,371	770	336,875	22,113	2,492,713	2,854,842
Depreciation and impairment (see note 12)	-	-8,614	-1,161,118	-43,739	-768	-1,214,239
Disposals/Write-offs	-57	-148	-19,174	-1,551	-19,627	-40,557
Transfers	-133	12,741	1,964,656	29,709	-2,412,161	-405,188
Exchange Difference	1,354	1,234	603,249	681	115,499	722,017
Perimeter Variations and Other	-1,139	82	-918,363	1,282	-289,790	-1,207,928
Balance as at 31 December 2021	76,453	206,776	18,065,311	145,917	2,604,784	21,099,241
Additions	18,600	782	92,344	19,789	3,680,440	3,811,955
Depreciation and impairment (see note 12)	-	-9,825	-1,260,191	-47,168	-54,088	-1,371,272
Disposals/Write-offs	-113	-346	-4,208	-2,359	-36,154	-43,180
Transfers	581	15,136	982,055	26,260	-1,033,230	-9,198
Exchange Difference	4,387	13,362	608,658	984	5,103	632,494
Perimeter Variations and Other	5	4,592	183,072	3,291	-94,193	96,767
Balance as at 31 December 2022	99,913	230,477	18,667,041	146,714	5,072,662	24,216,807

This caption is as follows, for the Company:

Thousand Euros	Land and natural resources	Buildings and other construct.	Plant and machinery	Other tangible assets	Assets under construct.	Total
Gross Amount	4,581	28,586	724	88,197	9,900	131,988
Accumulated depreciation and impairment losses	-	26,728	341	67,863	-	94,932
Carrying Amount at 31 December 2021	4,581	1,858	383	20,334	9,900	37,056
Gross Amount	4,581	35,968	991	91,350	9,591	142,481
Accumulated depreciation and impairment losses	-	26,920	392	71,621	-	98,933
Carrying Amount at 31 December 2022	4,581	9,048	599	19,729	9,591	43,548
Balance as at 1 January 2021	4,581	1,914	145	18,352	2,966	27,958
Additions	-	7	243	5,785	8,944	14,979
Depreciation and impairment (see note 12)	-	-68	-18	-5,440	7	-5,519
Disposals/Write-offs	-	-	-	-362	-	-362
Transfers	-	5	13	1,999	-2,017	-
Balance as at 31 December 2021	4,581	1,858	383	20,334	9,900	37,056
Additions	-	-	266	2,966	10,124	13,356
Depreciation and impairment (see note 12)	-	-192	-51	-5,913	-	-6,156
Disposals/Write-offs	-	-	-	-708	-	-708
Transfers	-	7,382	1	3,050	-10,433	-
Balance as at 31 December 2022	4,581	9,048	599	19,729	9,591	43,548

Gross amount of Assets under construction are as follows:

Thousand Euros	Dec 2022	Dec 2021
Wind and solar farms in North America	2,589,575	1,079,633
Wind and solar farms in Europe	1,072,644	824,808
Wind and solar farms in South America	1,098,165	509,951
Hydric Portugal	43,745	43,123
Other assets under construction	392,296	221,176
	5,196,425	2,678,691

The capitalised costs for Property, plant and equipment for the period, except Land and natural resources, are as follows:

Thousand Euros	Dec 2022	Dec 2021
Subcontracts and other materials	3,540,948	2,625,744
Purchase price allocation	74,213	70,622
Dismantling and decommissioning costs (see note 36)	9,841	29,525
Personnel costs (see note 10)	126,948	93,494
Borrowing costs (see note 13)	41,405	33,086
	3,793,355	2,852,471

Additions mainly include the investment in wind and solar farms in North America, South America and Europe.

Depreciation and impairment includes impairment in combined cycle thermoelectric plants in Portugal in the amount of 125,406 thousand Euros, impairment at the coal-fired power plant in Brazil in the amount of 218,665 thousand Euros and impairments in Colombia in the amount of 54,088 thousand Euros. Additionally, it reflects the reversal of impairments in Spain in the amount of 80,281 thousand Euros (see note 12).

Transfers include the transfer of some Europe onshore wind assets to non-current assets held for sale (see note 41).

The movement in Exchange differences in the period results mainly from the appreciation of US Dollar and Brazilian Real, against the Euro.

Perimeter Variations and Other mainly reflect: (i) the impact of the acquisitions of solar distributed generation portfolios in Southeast Asia, including the effect of the assets purchase price allocation exercise, in the amount of 718,762 thousand Euros (see notes 6 and 49); (ii) the increase of 70,779 thousand Euros related with the acquisition of a solar distributed generation portfolio in North America (see notes 6 and 49); (iii) the impact of the sale of onshore wind portfolios in Brazil, Poland and Italy and of solar energy assets in North America in the amount of 626,156 thousand Euros (see note 6); and (iv) the decrease of 94,026 thousand Euros due to the revision of the provision for dismantling and decommissioning of electricity power plants estimation (see note 36).

17. Right-of-use assets

This caption is as follows, for the Group:

Thousand Euros	Land and natural resources	Buildings and other construct.	Plant	Other tangible assets	Total
Gross amount	746,422	261,627	167,316	10,117	1,185,482
Accumulated depreciation and impairment losses	77,730	64,317	30,552	5,854	178,453
Carrying Amount at 31 December 2021	668,692	197,310	136,764	4,263	1,007,029
Gross amount	1,100,839	281,251	216,509	13,698	1,612,297
Accumulated depreciation and impairment losses	116,678	88,379	79,114	7,856	292,027
Carrying Amount at 31 December 2022	984,161	192,872	137,395	5,842	1,320,270
Balance as at 1 January 2021	674,340	204,998	146,034	4,821	1,030,193
Additions (see note 39)	136,730	15,787	1,079	2,609	156,205
Depreciation and impairment (see note 12)	-28,877	-24,042	-22,004	-2,717	-77,640
Disposals/Write-offs	-210	-480	-1	-446	-1,137
Transfers	-12,328	-32	-13	-	-12,373
Exchange Difference	40,446	1,055	10,894	5	52,400
Perimeter Variations	-141,409	24	775	-9	-140,619
Balance as at 31 December 2021	668,692	197,310	136,764	4,263	1,007,029
Additions	322,561	18,900	40,288	4,646	386,395
Depreciation and impairment (see note 12)	-36,683	-25,339	-48,552	-2,806	-113,380
Disposals/Write-offs	-1,250	-100	-	-184	-1,534
Exchange Difference	23,807	2,132	10,611	-2	36,548
Perimeter Variations	7,034	-31	-1,716	-75	5,212
Balance as at 31 December 2022	984,161	192,872	137,395	5,842	1,320,270

This caption is as follows, for the Company:

Thousand Euros	Buildings and other construct.	Other tangible assets	Total
Gross amount	117,334	676	118,010
Accumulated depreciation and impairment losses	15,993	387	16,380
Carrying Amount at 31 December 2021	101,341	289	101,630
Gross amount	117,433	594	118,027
Accumulated depreciation and impairment losses	20,878	304	21,182
Carrying Amount at 31 December 2022	96,555	290	96,845
Balance as at 1 January 2021	106,603	308	106,911
Additions	199	181	380
Depreciation and impairment (see note 12)	-5,461	-200	-5,661
Balance as at 31 December 2021	101,341	289	101,630
Additions	311	223	534
Depreciation and impairment (see note 12)	-4,997	-222	-5,219
Disposals/Write-offs	-100	-	-100
Balance as at 31 December 2022	96,555	290	96,845

Additions include, essentially, new lease contracts registered, under IFRS16, in North America and Europe.

Perimeter Variations include an increase of 39.000 thousand Euros related with the acquisition of a solar distributed generation portfolio in Southeast Asia (see notes 6 and 49), a decrease of 9,705 thousand Euros due to the sale of an operating wind portfolio located in Italy and a decrease of 24,346 thousand Euros due to the sale of a solar portfolio in North America (see note 6).

18. Intangible assets

This caption is as follows, for the Group:

Thousand Euros	Concession rights	CO2 Licenses	Other intangibles	Intangible assets in progress	Total
Gross amount	12,375,147	213,938	2,161,821	203,996	14,954,902
Accumulated amortisation and impairment losses	9,444,968	-	752,441	-	10,197,409
Carrying Amount at 31 December 2021*	2,930,179	213,938	1,409,380	203,996	4,757,493
Gross amount	12,799,654	25,551	2,491,561	235,380	15,552,146
Accumulated amortisation and impairment losses	9,723,336	-	844,808	-	10,568,144
Carrying Amount at 31 December 2022	3,076,318	25,551	1,646,753	235,380	4,984,002
Balance as at 1 January 2021*	3,064,184	198,555	1,416,986	169,842	4,849,567
Additions*	972	417,398	6,562	121,711	546,643
Amortisation and impairment (see note 12)	-362,813	-	-86,549	-	-449,362
Disposals/Write-offs	-4,828	-402,015	-1,282	-519	-408,644
Transfers	205,084	-	71,648	-79,476	197,256
Exchange Difference*	4,195	-	4,538	340	9,073
Perimeter Variations	23,385	-	-2,523	-7,902	12,960
Balance as at 31 December 2021*	2,930,179	213,938	1,409,380	203,996	4,757,493
Additions	2,555	467,690	6,456	147,119	623,820
Amortisation and impairment (see note 12)	-411,600	-	-103,368	-	-514,968
Disposals/Write-offs	-6,970	-656,077	-47	-1,316	-664,410
Transfers	313,069	-	133,062	-139,971	306,160
Exchange Difference	41,489	-	2,550	1,945	45,984
Perimeter Variations and Other	207,596	-	198,720	23,607	429,923
Balance as at 31 December 2022	3,076,318	25,551	1,646,753	235,380	4,984,002

* Includes restatement originated by the change in the classification of Green Certificates as described in note 2a).

This caption is as follows, for the Company:

Thousand Euros	Other intangibles	Intangible assets in progress	Total
Gross amount	203,204	69,009	272,213
Accumulated amortisation and impairment losses	139,553	-	139,553
Carrying Amount at 31 December 2021	63,651	69,009	132,660
Gross amount	244,000	65,598	309,598
Accumulated amortisation and impairment losses	158,903	-	158,903
Carrying Amount at 31 December 2022	85,097	65,598	150,695
Balance as at 1 January 2021	60,811	54,412	115,223
Additions	112	33,998	34,110
Amortisation and impairment (see note 12)	-16,673	-	-16,673
Transfers	19,401	-19,401	-
Balance as at 31 December 2021	63,651	69,009	132,660
Additions	741	36,700	37,441
Amortisation and impairment (see note 12)	-19,359	-	-19,359
Disposals/Write-offs	-47	-	-47
Transfers	40,111	-40,111	-
Balance as at 31 December 2022	85,097	65,598	150,695

Additions of CO2 Licenses includes 242,910 thousand Euros referring to CO2 Licenses granted free of charge to EDP Group power plants operating in Portugal and Spain and 224,779 thousand Euros of licenses purchased in the market for own consumption. Disposals/Write-offs essentially includes the delivery in April 2022 of the 2021 consumption licenses.

Additions of Intangible assets in progress essentially include the implementation and development of information systems projects.

Amortisation and impairment includes impairment at the coal-fired power plant in Brazil in the amount of 14,460 thousand Euros (see note 12).

Transfers essentially refer to the intangible assets assigned to concessions that became operational, in the amount of 306,160 thousand Euros (see note 26).

Regarding Concession rights, the Perimeter Variations and Other mainly include the recognition of a concession right arising from the acquisition of EDP Goiás. The amount recognized results from the assets purchase price allocation exercise, in accordance with the external valuation report issued (see notes 6 and 49).

Additionally, Perimeter Variations and Other reflect the effect of the purchase price allocation exercise of distributed solar generation portfolio assets acquired in Southeast Asia and North America, in the amounts of 198,771 thousand Euros and 20,667 thousand Euros, respectively (see notes 6 and 49).

The capitalised costs of the period related to construction of intangible assets are included in own work capitalised in notes 7, 10 and 13.

19. Goodwill

Goodwill for the Group, resulting from the difference between the acquisition price and the fair value of the net assets acquired, at the acquisition date, is organized by segment, and is as follows:

Thousand Euros	Renewab.	Networks	Client Solutions & Energy Manag.	Total
Balance as at 1 January 2021	1,651,582	673,834	10,548	2,335,964
Increases	4,462	-	6,688	11,150
Decreases	-15,160	-	-	-15,160
Impairment (see note 12)	-	-	-4,987	-4,987
Exchange differences	52,412	-	7	52,419
Balance as at 31 December 2021	1,693,296	673,834	12,256	2,379,386
Increases	1,072,359	-	20,790	1,093,149
Decreases	-52,478	-	-	-52,478
Exchange differences	49,065	-	106	49,171
Balance as at 31 December 2022	2,762,242	673,834	33,152	3,469,228

Renewables

EDP Renováveis, S.A. acquired a 100% stake in a distributed solar generation portfolio, Sunseap Group Pte. Ltd., located in Southeast Asia, for an amount of 659,658 thousand Euros. This transaction has been framed within the scope of IFRS 3 – Business combinations and that has implied the recognition of goodwill in the consolidated financial statements in the amount of 363,485 thousand Euros (see notes 6 and 49).

In the third quarter of 2022, Sunseap Group Pte. Ltd. acquired 99,99% of the companies Xuan Thien Ninh Thuan JSC and Xuan Thien Thuan Bac JSC, for an amount of 202,298 thousand Euros. This transaction has been framed within the scope of IFRS 3 – Business combinations and the purchase price allocation exercise carried out resulted in goodwill recognition in the amount of 21,236 thousand Euros (see notes 6 and 49).

EDP Renováveis, S.A. acquired, through a North American subsidiary, a 100% stake in a distributed solar generation portfolio, for an amount of 132,992 thousand Euros. This transaction has been framed within the scope of IFRS 3 – Business combinations and that has implied the recognition of goodwill in the consolidated financial statements in the amount of 28,965 thousand Euros (see notes 6 and 49).

In the fourth quarter of 2022, EDP Renewables Europe, S.L.U. acquired a 100% stake in a solar generation portfolio, Kronos Solar Projects GmbH. and its subsidiaries, for an amount of 663,030 thousand Euros. This business combination has resulted in the recognition of goodwill in the amount of 651,657 thousand Euros, in accordance with IFRS 3 requirements (see notes 6 and 49).

The decreases include the impact of 51,761 thousand Euros resulting from the sale of an onshore wind portfolio in Spain (see note 6).

Client Solutions & Energy Management

The increase in goodwill is related with the acquisition of the companies SOON Energy Polska sp z.o.o. and Zielona-Energia (see note 6).

Goodwill impairment test analysis – EDP Group

The recoverable amount of the goodwill in subsidiaries is assessed annually, as at 30 September, independently of the existence of any indicators of impairment. The recoverable amount is determined based on the value in use of the assets, calculated using valuation methodologies supported by discounted cash flow techniques, considering market conditions, the time value of money and the business risks. Any impairment losses are recognised in the income statement for the period.

EDP Group segments based on which the Group monitors its activity are as follows (see note 51):

- Renewables – corresponds to the activity of producing electricity through renewable energy sources, with emphasis on hydro, wind and solar;
- Networks – corresponds to the electricity distribution and transmission activity, including regulated energy retailers;
- Client Solutions and Energy Management – includes the following activities: production of electricity using non-renewable energy sources, with emphasis on coal and gas; commercialization of electricity and gas and energy solutions services to customers; and the intermediation business responsible for managing the purchase and sale of energy in the Iberian and Brazilian markets, as well as for the respective hedging operations;

For the purposes of these tests, the EDP Group has defined a set of assumptions to determine the recoverable amount of the main investments by each cash generating unit, being presented by aggregation in each business units after the impairment tests carried out at each subgroup/cash generating unit.

Goodwill impairment test analysis – Renewables Segment

The future cash flows are based on the useful life of wind farms, solar and hydro assets. This projection also considers long-term energy sales contracts and long-term energy price estimates, for assets with market exposure.

The main assumptions on which impairment tests are based are as follows:

- Regarding the production of wind and solar energy, the “net capacity factors” used for each cash-generating unit consider: (i) the installed capacity and the forecast resulting from the studies on the occurrence of wind in the long term; and (ii) that regulatory mechanisms in almost all geographies determine the production and priority of energy dispatch whenever weather conditions permit;
- Regarding hydro production, the “net capacity factors” used for each cash-generating unit consider: (i) the installed capacity and the forecast for hydraulic production; and (ii) that the regulatory mechanisms in each geography;

- Energy remuneration: the approved or contracted remunerations were considered in the event of long-term energy sales contracts for the total or partial useful life of the assets or remunerations determined by the regulatory framework in force in each geography. In the remaining cases, the long-term market price curves projected by the Group were used based on past experience and internal models built on the basis of external information sources;
- Operating costs: the land and maintenance contracts in force were used. The other operating costs were projected consistently based on the experience acquired, on the Budget approved for the next year and taking into account internal analysis models;
- Terminal value: considered as a 15% of the initial investment in each wind farm, considering inflation; and
- Discount rate: the discount rates used are post-tax, reflect EDP Group's best estimate of the risks specific to each CGU and range as follows:

	2022	2021
Europe (EUR)	3.7% - 4.8%	2.9% - 4.0%
North America (USD)	5.7% - 7.1%	4.8% - 6.7%
Brazil (BRL)	7.9% - 9.6%	7.6% - 9.3%

Impairment tests were performed taking into account the regulatory changes in each country known at the end 2022.

The impairment tests carried out on Goodwill did not lead to any impairment registration.

Goodwill impairment test analysis – Grids Segment

The cash flow projection assumes the extent of the concessions related to the electricity distribution business in Brazil. In the case of the concession in Spain, it is perpetual. These cash flows are estimated considering the volume of production and expected consumption, installed capacity, the evolution forecast of the tariff and the energy purchase / sale agreements.

The discount rates after taxes used in the networks segment for the purposes of impairment tests ranged between 3.8% (Spain) and 8.5% (Brazil in BRL) (2021: between 3.2% and 7.4% respectively).

The main assumptions used to project cash flows are as follows:

- Investment costs: the best available estimates of the investments to be made were used to ensure regular use of current assets, as well as those resulting from legislative changes;
- Regarding operating costs, the projections made considered the current operating costs projected based on the historical experience acquired, in the Budget approved for the next year and taking into account internal models of analysis;
- The most recent remuneration rates proposed by ANEEL and CNMC ("Comisión Nacional de los Mercados y la Competencia") were considered, applying the updating mechanisms as provided for in the regulation;
- The projections for the electricity distribution businesses are based on long-term estimates of the various assumptions considered in the analysis;
- The terminal value of the distribution assets corresponds to the present value of the net assets at the end of the concession ("Net Regulatory Asset Base").

Sensitivity analyzes were carried out on the results of the impairment tests carried out, namely at discount rates. The results of the sensitivity analyzes carried out conclude that an increase of 50 basis points in the different discount rates, does not determine the existence of signs of impairment in "goodwill" or concession rights.

20. Investments in subsidiaries (Company basis)

This caption is as follows:

Thousand Euros	Company	
	Dec 2022	Dec 2021
Acquisition cost	16,450,564	16,076,429
Effect of equity method (transition to IFRS)	-785,593	-785,593
Equity investments in subsidiaries	15,664,971	15,290,836
Impairment losses on equity investments in subsidiaries	-237,572	-225,472
	15,427,399	15,065,364

On the date of transition to IFRS, EDP, S.A. ceased to apply the equity method of accounting to its investments in its separate financial statements, having considered this method in the determination of the deemed cost at transition date.

Investments in subsidiaries are as follows:

Thousand Euros	Company	
	Dec 2022 Net amount	Dec 2021 Net amount
Equity investments in subsidiaries:		
EDP Renováveis, S.A.	4,154,431	4,154,431
EDP Gestão de Produção de Energia, S.A.	4,470,776	4,470,776
EDP España, S.A.U.	2,105,002	2,105,002
E-Redes – Distribuição de Eletricidade, S.A. de Energia, S.A.	1,991,145	1,691,145
EDP International Investments and Services, S.L.	1,488,181	1,488,181
EDP Servicios Financieros España, S.A.U.	482,695	482,695
EDP Comercial – Comercialização de Energia, S.A.	344,444	344,444
SU Eletricidade, S.A.	259,818	243,407
Other	130,907	85,283
	15,427,399	15,065,364

The remaining variation in the caption Investments in subsidiaries results from capital increases carried out in some subsidiaries.

In the context of impairment tests carried out at EDP Group, the financial investments held by EDP, S.A. in subsidiaries are reviewed, based on the higher of the value in use and the fair value less costs related to the sale. The main assumptions considered in the valuation models of the main financial holdings in Portugal of EDP, S.A. are as follows:

– The discount rates used reflect the best estimate regarding the specific risks associated to each subsidiary activity within a range between 3.7% and 5.8% (2021: between 3.2% and 5.1%);

– For the activities subject to regulation, the remunerations currently in force and/or approved were considered, applying the updating mechanisms as provided for in the regulation, and incorporates the expectation of renewal of the concessions currently in force and the best estimate of CAPEX and the future regulatory framework;

– Fuel prices (brent, gas, coal and CO2 licenses) and electricity prices forecast were defined considering market expectations for future prices and the application of internal models for building price curves, taking into account the regulatory framework in force and the best expectation regarding its future evolution. Regarding fuel prices, the prices and clauses established in long-term supply contracts, including gas purchase contracts, were also considered. Production assets were valued from a portfolio management perspective, without prejudice to an individual analysis as to recoverability, based on the estimate of the evolution of the market share;

– The production estimates were based on an average hydrological year over the projection period for the hydroelectric plants, the estimated evolution of demand, market share projections and current installed and under construction capacity, as well as the best estimate of the plants to be decommission in the projection period;

– Additionally, other system costs are considered, such as: ISP and CO2 addition fee, CESE and other income;

– The operating costs considered were based on extrapolations from current operating costs based on the knowledge acquired in each activity.

The impairment tests led to the recording of an impairment on EDP GEM Portugal, S.A., for the amount of 12,100 thousand Euros in the equity participation and 14,530 thousand Euros in shareholders loans (see note 13). There were no additional impairments, beside the one already

The assumptions used in the valuation models of EDP S.A.'s financial holdings in other geographies, as well as the respective sensitivity analyses are described in note 19.

21. Investments in joint ventures and associates

This caption is as follows:

Thousand Euros	Group	
	Dec 2022	Dec 2021
Investments in joint ventures	1,333,871	1,140,454
Investments in associates	271,872	209,991
	1,605,743	1,350,445

As at 31 December 2022, for the Group, this caption includes goodwill in investments in joint ventures of 8,047 thousand Euros (31 December 2021: 8,047 thousand Euros) and goodwill in investments in associates of 28,131 thousand Euros (31 December 2021: 27,647 thousand Euros).

The movement in Investments in joint ventures and associates, for the Group, is as follows:

Thousand Euros	Group	
	Dec 2022	Dec 2021
Balance at the beginning of the period	1,350,445	940,362
Acquisitions/Entries	25,058	36,753
Increases/Decreases of share capital	-929	456,186
Disposals	-49,276	-10,224
Share of profit for the period and capital gains from disposals	208,587	80,086
Dividends	-74,311	-50,077
Exchange differences	69,381	46,675
Cash flow hedging reserve	41,811	-5,376
Transfer to Assets held for sale (see note 41)	56,496	-149,182
Other	-21,519	5,242
Balance at the end of the period	1,605,743	1,350,445

The caption Joint ventures and associates in the Consolidated Income Statement includes a positive amount of 208,473 thousand Euros from result of these investments, a gain of 16,981 thousand Euros from the sale of the stake that EDP Renewables Europe, S.L.U had in Moray West Holdings Limited and a gain of 13,764 thousand Euros from the sale of Hydro Global Investment Limited (see note 6).

The positive amount from the caption Transfer to Non Current Assets held for sale mainly results from: i) the reverse of the investments classified as held for sale in 2021 for the Companhia Energética do Jari – CEJA and for Empresa Energia Cachoeira Caldeirão S.A., for the amount of 104,010 thousand Euros and 45,188 thousand Euros, respectively, because the selling negotiations were not successful; and ii) for the reclassification to assets held for sale of EDP Ásia – Investimento e Consultadoria, Lda., for the amount of 92,702 thousand Euros (see note 41).

The movement in Exchange differences in the period results mainly from the appreciation of US Dollar and Brazilian Real, against the Euro.

The following table resumes the companies' financial information of joint ventures whose investment is included under the equity method in the Group consolidated accounts, as at 31 December 2022:

Thousand Euros	Energética	Goldfinger	Energia	Energia	Flat Rock	Sol V
	JARI CEJA	Vento II	São Manoel	Cachoeira Caldeirão	Windpower	Riverstart
Companies' financial information of joint ventures						
Non-Current Assets	267,048	322,496	625,331	218,361	196,543	324,297
Current Assets	56,874	-2,069	50,799	29,420	12,882	4,415
Cash and cash equivalents	44,304	58	21,175	18,592	10,400	-
Total Equity	184,141	211,917	313,436	99,263	203,387	194,623
Long term Financial debt	69,213	-	321,694	125,407	-	-
Non-Current Liabilities	96,356	98,885	334,568	132,353	4,391	125,503
Short term Financial debt	9,594	47	17,483	13,114	-	58
Current Liabilities	43,425	9,625	28,126	16,165	1,647	8,586
Revenues	57,941	17,172	76,870	30,101	20,238	17,751
Property plant and equipment and intangibles amortization/impairment	-9,288	-10,039	-21,079	-8,041	-14,719	-9,473
Other financial expenses	-9,486	-3,432	-38,118	-15,842	-60	-3,630
Income tax expense	-822	-	4,125	419	-	-
Net profit for the period	31,244	20,039	-8,035	-1,421	-6,653	20,389
Amounts proportionally attributed to EDP Group						
Net assets	118,301	93,349	104,481	49,872	111,047	39,001
Goodwill	-	-	-	-	-	-
Dividends paid	10,412	5,858	-	-	1,012	1,217

Thousand Euros	Portfolio Vento XX	Goldfinger Vento	OW Offshore, S.L.	Portfolio Vento XVII	Portfolio Vento XIX	Other
Companies' financial information of joint ventures						
Non-Current Assets	632,136	211,527	2,635,181	539,395	489,003	295,583
Current Assets	7,830	221	457,761	11,673	18,917	50,820
Cash and cash equivalents	201	-	237,416	-	-	24,203
Total Equity	24,236	153,491	1,079,549	202,561	101,026	285,251
Long term Financial debt	-	-	493,044	-	-	16,211
Non-Current Liabilities	597,474	54,690	987,607	340,973	398,228	25,114
Short term Financial debt	517	448	4,918	219	38	319
Current Liabilities	18,256	3,567	1,025,786	7,534	8,666	36,038
						-
Revenues	39,529	12,484	46,200	46,946	22,271	66,209
Property plant and equipment and intangibles amortization/impairment	-23,872	-10,556	-8,466	-25,529	-20,377	-9,346
Other financial expenses	-20,218	-1,724	-121,882	-17,905	-17,990	-1,169
Income tax expense	-	-	7,298	-	-	-5,345
Net profit for the period	27,652	11,192	257,040	33,995	16,866	35,192
Amounts proportionally attributed to EDP Group						
Net assets	34,035	68,989	490,929	62,510	40,986	120,371
Goodwill	-	-	5,352	-	-	2,695
Dividends paid	4,186	3,677	-	4,311	2,290	16,404

The following table resumes the companies' financial information of joint ventures whose investment is included under the equity method in the Group consolidated accounts, as at 31 December 2021:

Thousand Euros	Goldfinger Vento	Goldfinger Vento II	Energia São Manoel	Flat Rock Windpower II	Flat Rock Windpower	Hydro Global Investment
Companies' financial information of joint ventures						
Non-Current Assets	209,580	313,792	570,694	81,368	198,882	266,899
Current Assets	554	1,685	34,461	1,893	5,205	89,958
Cash and cash equivalents	-47	870	14,864	1,704	4,282	75,491
Total Equity	141,812	194,044	287,008	80,735	197,721	101,327
Long term Financial debt	-	-	282,747	-	-	229,312
Non-Current Liabilities	65,228	112,157	294,927	1,554	4,080	233,356
Short term Financial debt	98	101	13,747	-	-	-
Current Liabilities	3,094	9,276	23,220	972	2,287	22,175
						-
Revenues	11,063	10,657	58,805	3,723	9,711	-
Property plant and equipment and intangibles amortization/impairment	-9,212	-7,372	-20,449	-5,117	-13,097	-181
Other financial expenses	-1,708	-3,202	-31,130	-24	-53	-11,308
Income tax expense	-	-	6,426	-	-	574
Net profit for the period	9,187	12,931	-12,514	-6,184	-14,667	-11,889
Amounts proportionally attributed to EDP Group						
Net assets	63,217	84,775	95,671	40,367	102,608	40,336
Goodwill	-	-	-	-	-	-
Dividends paid	3,270	4,539	-	-	9,809	-

Thousand Euros	Portfolio Vento XX	EDP Asia Group	OW Offshore, S.L.	Portfolio Vento XVII	Portfolio Vento XIX	Other
Companies' financial information of joint ventures						
Non-Current Assets	644,158	132,238	1,187,928	525,211	477,624	350,117
Current Assets	16,121	-	266,754	5,453	13,913	34,392
Cash and cash equivalents	9,429	-	82,639	-159	-86	14,281
Total Equity	215,942	132,238	713,524	177,215	133,497	118,385
Long term Financial debt	-	-	50,037	-	-	-
Non-Current Liabilities	415,353	-	650,372	344,720	351,971	148,605
Short term Financial debt	456	-	3,720	-	-	3,864
Current Liabilities	28,983	-	90,786	8,729	6,068	117,519
Revenues	30,600	-	10,040	34,952	22,019	41,133
Property plant and equipment and intangibles amortization/impairment	-15,714	-	-4,532	-19,352	-16,498	-3,109
Other financial expenses	-26,102	-	-69,164	-14,259	-17,347	-83
Income tax expense	-	-	1,080	-	-	-548
Net profit for the period	534,542	21,561	34,813	20,545	13,463	39,725
Amounts proportionally attributed to EDP Group						
Net assets	67,457	87,723	358,986	57,919	47,447	93,948
Goodwill	-	-	5,352	-	-	2,695
Dividends paid	-	6,758	-	3,885	3,118	4,278

The following table resumes the companies' financial information of associates whose investment is included in the Group consolidated accounts under the equity method, as at 31 December 2022:

Thousand Euros	Celesc	Parque Eólico Belmonte	Parque Eólico Madero	Principle Power Inc.	Other
Companies' financial information of associates					
Non-Current Assets	508,509	18,250	41,120	19,739	42,816
Current Assets	49,500	7,440	32,020	11,966	89,694
Total Equity	520,225	15,136	51,374	19,393	37,390
Non-Current Liabilities	4,128	1,934	3,852	6,805	40,811
Current Liabilities	33,656	8,620	17,914	5,507	54,309
Revenues	81,335	12,469	30,477	11,592	83,672
Net profit for the period	80,367	6,863	17,973	-6,813	37,890
Amounts proportionally attributed to EDP Group					
Net assets	152,758	6,251	21,577	7,148	84,139
Goodwill	-	1,726	-	5,144	21,261
Dividends paid	8,951	360	3,262	-	12,371

Other include companies with Financial Statements as of 31 December 2022, with the exception of companies that have no activity or are in liquidation process. Additionally, Celesc is based on the Financial Statements disclosed to the market with reference to 30 September 2022.

The following table resumes the companies' financial information of associates whose investment is included in the Group consolidated accounts under the equity method, as at 31 December 2021:

Thousand Euros	Celesc	Parque Eólico Belmonte	Parque Eólico Madero	Principle Power Inc.	Other
Companies' financial information of associates					
Non-Current Assets	382,241	17,817	44,111	17,311	49,127
Current Assets	18,870	5,054	24,124	15,510	60,128
Total Equity	389,778	9,512	41,178	23,723	34,795
Non-Current Liabilities	861	9,302	8,066	5,375	41,363
Current Liabilities	10,471	4,057	18,991	3,722	33,098
Revenues	12,544	3,914	16,656	6,910	71,851
Net profit for the period	74,460	1,278	7,766	-7,891	18,725
Amounts proportionally attributed to EDP Group					
Net assets	110,668	4,568	17,290	8,425	69,040
Goodwill	-	1,726	-	5,083	20,838
Dividends paid	8,924	-	-	-	5,496

The column "Others" include companies with financial statements as of 31 December 2021, with the exception of companies that have no activity or are in liquidation process. Additionally, Celesc is based on the Financial Statements disclosed to the market with reference to 30 September 2021.

As at 31 December 2022, the significant companies' financial information of joint ventures and associates presents the following reconciliation of net assets proportionally attributed to EDP Group:

Thousand Euros	Equity	% EM	Fair Value Adjustments	Goodwill	Other	Net Assets
Empresa de Energia São Manoel S.A.	313,436	33.33%	-	-	-	104,481
Energética JARI - CEJA	184,141	50.00%	26,528	-	-298	118,301
Flat Rock Windpower LLC	203,387	50.00%	-	-	9,354	111,047
Energia Cachoeira Caldeirão	99,263	50.00%	241	-	-	49,872
Goldfinger Vento	153,491	50.00%	-7,756	-	-	68,989
OW Offshore, S.L.	1,079,549	50.00%	-49,265	5,352	-4,935	490,929
Portfolio Vento XVII	202,561	20.00%	21,998	-	-	62,510
Portfolio Vento XIX	101,026	20.00%	20,781	-	-	40,986
Portfolio Vento XX	24,236	20.00%	29,188	-	-	34,035
Sol V - Riverstart	194,623	20.00%	76	-	-	39,001
Goldfinger Vento II	211,917	50.00%	-12,610	-	-	93,349
Centrais eléctricas de Santa Catarina, S.A. - Celesc	520,225	29.90%	-	-	-2,772	152,758
Parque Eólico de Belmonte, S.A.	15,136	29.90%	-	1,726	-	6,251
Parque Eólico Sierra del Madero S.A.	51,374	42.00%	-	-	-	21,577
Principle Power, Inc.	19,393	25.41%	-	5,144	-2,924	7,148

As at 31 December 2021, the significant companies' financial information of joint ventures and associates presents the following reconciliation of net assets proportionally attributed to EDP Group:

Thousand Euros	Equity	% EM	Fair Value		Other	Net Assets
			Adjustments	Goodwill		
Empresa de Energia São Manoel S.A.	287,008	33.33%	-	-	-	95,671
Flat Rock Windpower II LLC	80,735	50.00%	-	-	-	40,367
Flat Rock Windpower LLC	197,721	50.00%	-	-	3,748	102,608
Hydro Global Investment, Ltda	101,327	50.00%	-	-	-10,327	40,336
EDP ASIA - Investimento e Consultadoria, Lda	132,238	50.00%	21,604	-	-	87,723
OW Offshore, S.L.	713,524	50.00%	-	5,352	-3,128	358,986
Portfólio Vento XVII	177,215	20.00%	22,476	-	-	57,919
Portfólio Vento XIX	133,497	20.00%	20,748	-	-	47,447
Portfólio Vento XX	215,942	20.00%	24,269	-	-	67,457
Goldfinger Vento	141,812	50.00%	-7,689	-	-	63,217
Goldfinger Vento II	194,044	50.00%	-12,247	-	-	84,775
Centrais eléctricas de Santa Catarina, S.A. - Celesc	389,778	29.90%	-	-	-5,862	110,668
Parque Eólico de Belmonte, S.A.	9,512	29.90%	-	1,726	-	4,568
Parque Eólico Sierra del Madero S.A.	41,178	42.00%	-	-	-	17,290
Principle Power, Inc.	23,723	25.93%	-	5,083	-2,810	8,425

As at 31 December 2022 and 2021, commitments and contingent liabilities assumed by the Group in respect of its joint ventures and associates, including its share of commitments assumed jointly with other investors, are disclosed by maturity as follows:

Thousand Euros	Capital outstanding by maturity	
	Dec 2022	Dec 2021
Less than 1 year	315,451	250,656
From 1 to 3 years	15,109	7,560
From 3 to 5 years	3,635	2,376
More than 5 years	55,228	50,376
	389,423	310,968

Commitments and contingent liabilities in respect of joint ventures and associates include EDPR commitments to provide funding to Offshore projects and to the construction of solar farms facilities in USA, and to commitments assumed by EDP Brasil related to its joint ventures operating obligations.

22. Equity instruments at fair value

As at 31 December 2022, the movements in Equity Instruments measured at Fair Value are as follows:

Thousand Euros	Group	
	Dec 2022	Dec 2021
Equity Instruments at Fair Value through Other Comprehensive Income (OCI)	139,270	126,827
Equity Instruments at Fair Value through Results (PL)	77,148	63,115
	216,418	189,942

Under IFRS 13 (see note 45), equity instruments at fair value are classified into three levels of fair value: level 1 includes essentially financial investments that are indexed to quoted market prices; level 2 includes the fund of stocks and bonds held by Energia RE; and level 3 covers all other equity instruments at fair value. As at 31 December 2022, there are no equity instruments at fair value within level 1.

As at 31 December 2022, this caption is analysed as follows:

Thousand Euros	Other Comprehensive Income		EDA Electricid. dos Açores, S.A.	Results		Total
	Mercer and Dunas (Energ. RE portfolio)	Other		Feedzai - Consult. e Inov. Tecn., S.A.	Other	
Balance as at 1 January 2021	89,821	27,290	15,286	46,814	5,537	184,748
Acquisitions	-	1,137	-	-	3,438	4,575
Disposals	-	-436	-	-8,207	-	-8,643
Change in fair value	5,990	2,851	769	-	-526	9,084
Other variations	-	174	-	-	4	178
Balance as at 31 December 2021	95,811	31,016	16,055	38,607	8,453	189,942
Acquisitions	-	25,591	-	-	6,903	32,494
Disposals	-	-3,747	-	-	-	-3,747
Change in fair value (see note 32)	-12,749	248	494	-	6,588	-5,419
Other variations	-	3,100	-	-	48	3,148
Balance as at 31 December 2022	83,062	56,208	16,549	38,607	21,992	216,418

As at 31 December 2022, the fair value reserve of equity instruments measured at fair value through other comprehensive income attributable to the Group is as follows:

Thousand Euros	Dec 2022	Dec 2021
Mercer Funds	-3,852	8,897
Defined Crowd Corporation	5,001	6,339
Other	6,581	5,817
	7,730	21,053

In equity instruments measured at fair value through profit stands out: i) Feedzai - Consultadoria e Inovação Tecnológica, S.A., the fair value of 38,607 thousand Euros was determined according to the last transaction on the market; 2) EDA - Electricidade dos Açores, S.A., the fair value of 16,549 thousand Euros was determined according to the Dividend Discounted model. The sensitivity analysis, considering a reduction or increase of 50bp in the discounted rate, determines a fair value of 18,8 million Euros and 14,8 million Euros, respectively.

During 2022 an increase in the fair value of the Equity Instruments through Profit and Losses, in the amount of 7,082 thousand Euros, was booked against Profit or Loss (see notes 13 and 45).

23. Investment property

The caption is detailed as follows:

Thousand Euros	Group		Company	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Cost	52,601	55,125	150,665	130,851
Accumulated depreciation and impairment losses	-25,307	-34,457	-33,388	-29,151
Carrying amount	27,294	20,668	117,277	101,700

The investment properties are mainly lands and buildings held to obtain rents or for capital appreciation and are not materially relevant.

On a consolidated basis, Accumulated depreciation and impairment losses in 2022 includes 289 thousand Euros related to charges of the period (see note 12).

On an individual basis, Accumulated depreciation and impairment losses in 2022 includes 4,225 thousand Euros related to charges of the period (see note 12). The variation in the caption Cost relates with the transfer of property, plant and equipment and right-of-use assets to investment property of 19,814 thousand Euros (see notes 16 and 17).

The impairment tests carried out of Investment Properties are based on assessments using current market practices: the comparative method, in cases where there is an active and comparable market, the income method, through discounted cash flows depending on the property income and the cost method, which considers the market value of the land and the construction costs.

24. Deferred tax assets and liabilities

EDP Group records the tax effect resulting from temporary differences between the assets and liabilities determined on an accounting basis and on a tax basis. As at 31 December 2022, on a consolidated basis, the movements by nature of Deferred Tax Assets and Liabilities are as follows:

Deferred Tax Assets					
Thousand Euros	Balance at 1 January	Mov. Results	Mov. Reserves	Perimeter variations, exchange differences and others	Balance at 31 December
Tax losses and tax credits	1,205,963	64,229	3,244	87,139	1,360,575
Provisions for social benefits, bad debts and other risks	634,198	-66,601	-87,838	11,733	491,492
Financial instruments	841,687	-23,469	83,794	-104,646	797,366
Property plant and equipment and intangible assets	353,664	-41,758	-	25,811	337,717
Financial and equity instruments at fair value	1,953	209	-2,931	263	-506
Tariff adjustments and tariff deficit	14,370	-16,025	-	1,655	-
Allocation of fair value to assets and liabilities acquired	32,445	-36,552	84,915	-1,128	79,680
Fiscal revaluations	265,678	-44,410	-	163	221,431
Use of public property (Brazil)	27,308	1,517	-	3,200	32,025
Other temporary differences	74,041	29,145	-387	9,120	111,919
Assets/liabilities compensation of deferred taxes	-1,942,215	-70,484	3,400	361,892	-1,647,407
	1,509,092	-204,199	84,197	395,202	1,784,292

Deferred Tax Liabilities					
Thousand Euros	Balance at 1 January	Mov. Results	Mov. Reserves	Perimeter variations, exchange differences and others	Balance at 31 December
Provisions for social benefits, bad debts and other risks	19,598	-243	-3,179	468	16,644
Financial instruments	609,846	-182,186	-64,755	-64,482	298,423
Property plant and equipment and intangible assets	374,109	37,784	-	103,217	515,110
Reinvested gains	3,705	-30	-	-1	3,674
Financial and equity instruments at fair value	7,248	-	14	1,585	8,847
Tariff adjustments and tariff deficit	16,078	-15,518	-	-	560
Allocation of fair value to assets and liabilities acquired	1,112,469	-16,738	-	64,159	1,159,890
Fiscal revaluations	52,589	-2,903	-	3,032	52,718
Deferred income relating to CMEC	184,665	-706	-	-	183,959
Gains from institutional partnerships in wind farms	383,910	33,154	-92	23,292	440,264
Use of public property (Brazil)	6,919	107	-	820	7,846
Fair value of financial assets (Brazil)	69,235	23,971	-	7,401	100,607
Other temporary differences	90,922	13,651	-244	-871	103,458
Assets/liabilities compensation of deferred taxes	-1,942,215	-70,484	3,400	361,892	-1,647,407
	989,078	-180,141	-64,856	500,512	1,244,593

As at a 31 December 2021, on a consolidated basis, the movement by nature of Net Deferred Tax Assets and Liabilities are as follows:

Net Deferred Tax Assets					
Thousand Euros	Balance at 1 January	Mov. Results	Mov. Reserves	Perimeter variations, exchange differences and others	Balance at 31 December *
Tax losses and tax credits	1,023,712	138,686	-	43,565	1,205,963
Provisions for social benefits, bad debts and other risks	722,690	-47,751	-17,360	-23,381	634,198
Financial instruments	95,417	-40,724	780,528	6,466	841,687
Property plant and equipment and intangible assets	412,651	-59,693	-	706	353,664
Financial and equity instruments at fair value	2,868	800	-1,889	174	1,953
Tariff adjustments and tariff deficit	37,988	-24,576	-	958	14,370
Allocation of fair value to assets and liabilities acquired	159,529	52,666	-	-179,750	32,445
Fiscal revaluations	304,712	-39,034	-	-	265,678
Use of public property (Brazil)	23,658	3,376	-	274	27,308
Other temporary differences	87,541	-13,806	-661	967	74,041
Assets/liabilities compensation of deferred taxes	-1,664,163	-24,228	4,468	-258,292	-1,942,215
	<u>1,206.603</u>	<u>-54.284</u>	<u>765.086</u>	<u>-408.313</u>	<u>1.509.092</u>

Net Deferred Tax Liabilities					
Thousand Euros	Balance at 1 January	Mov. Results	Mov. Reserves	Perimeter variations, exchange differences and others	Balance at 31 December *
Provisions for social benefits, bad debts and other risks	14,413	3,699	1,494	-8	19,598
Financial instruments	100,911	48,260	456,924	3,751	609,846
Property plant and equipment and intangible assets	366,868	-7,126	-	14,367	374,109
Reinvested gains	3,735	-30	-	-	3,705
Financial and equity instruments at fair value	8,959	-1,711	-	-	7,248
Tariff adjustments and tariff deficit	149,690	-134,161	-353	902	16,078
Allocation of fair value to assets and liabilities acquired	1,184,420	96,140	2,406	-170,497	1,112,469
Fiscal revaluations	54,737	-2,148	-	-	52,589
Deferred income relating to CMEC	187,558	-2,893	-	-	184,665
Gains from institutional partnerships in wind farms	344,092	10,580	55	29,183	383,910
Use of public property (Brazil)	7,737	-887	-	69	6,919
Fair value of financial assets (Brazil)	47,643	20,889	-	703	69,235
Other temporary differences	64,642	9,791	-	16,489	90,922
Assets/liabilities compensation of deferred taxes	-1,664,163	-24,228	4,468	-258,292	-1,942,215
	<u>871.242</u>	<u>16.175</u>	<u>464.994</u>	<u>-363.333</u>	<u>989.078</u>

On a Company basis, EDP, S.A. records the tax effect arising from temporary differences between the assets and liabilities determined on an accounting basis and on a tax basis. As at 31 December 2022, on a Company basis, the movements by nature of Deferred Tax Assets and Liabilities are as follows:

Deferred Tax Assets					
Thousand Euros	Balance at 1 January	Mov. Results	Mov. Reserves	Others	Balance at 31 December
Tax losses and tax credits	163,078	39,563	-	-43,290	159,351
Provisions for social benefits, bad debts and other risks	8,125	-381	-616	430	7,558
Financial instruments	225,545	-	54,871	-	280,416
Property plant and equipment	2,025	-136	-	-	1,889
Other temporary differences	246	-50	-	2,749	2,945
Assets/liabilities compensation of deferred taxes	-361,801	224,402	-	-	-137,399
	<u>37,218</u>	<u>263,398</u>	<u>54,255</u>	<u>-40,111</u>	<u>314,760</u>

Deferred Tax Liabilities					
Thousand Euros	Balance at 1 January	Mov. Results	Mov. Reserves	Others	Balance at 31 December
Financial instruments	350,009	-	-230,191	-	119,818
Allocation of fair value to assets and liabilities acquired	3,546	-	-	2,395	5,941
Fiscal revaluations	179	-16	-	-	163
Other temporary differences	8,067	3,410	-	-	11,477
Assets/liabilities compensation of deferred taxes	-361,801	224,402	-	-	-137,399
	-	227,796	-230,191	2,395	-

As at a 31 December 2021, on a Company basis, the movement by nature of Net Deferred Tax Assets and Liabilities are as follows:

Net Deferred Tax Assets					
Thousand Euros	Balance at 1 January	Mov. Results	Mov. Reserves	Others	Balance at 31 December
Tax losses and tax credits	139,397	19,879	-	3,802	163,078
Provisions for social benefits, bad debts and other risks	7,817	471	-143	-20	8,125
Financial instruments	28,596	-	196,949	-	225,545
Property plant and equipment	3,965	-1,940	-	-	2,025
Other temporary differences	3,273	-3,069	-	42	246
Assets/liabilities compensation of deferred taxes	-59,422	-302,379	-	-	-361,801
	123,626	-287,038	196,806	3,824	37,218

Net Deferred Tax Liabilities					
Thousand Euros	Balance at 1 January	Mov. Results	Mov. Reserves	Others	Balance at 31 December
Financial instruments	47,681	-	302,328	-	350,009
Allocation of fair value to assets and liabilities acquired	3,546	-	-	-	3,546
Fiscal revaluations	185	-6	-	-	179
Other temporary differences	8,010	-5,109	-	5,166	8,067
Assets/liabilities compensation of deferred taxes	-59,422	-302,379	-	-	-361,801
	-	-307,494	302,328	5,166	-

Taxes recorded against reserves are as follows:

Thousand Euros	Group		Company	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Financial instruments and fair value	233,936	317,598	285,062	-105,379
Actuarial gains and losses	-88,828	-16,483	-616	-143
Financial instruments and equity instruments at fair value OCI	3,856	-1,271	-	-
Others	89	248	-	-
	149,053	300,092	284,446	-105,522

The Group tax losses carried forward are analysed as follows:

Thousand Euros	Group	
	Dec 2022	Dec 2021
Expiry date:		
2022	-	1,344
2023	2,983	10,430
2024	3,245	23,704
2025	8,793	8,155
2026	19,640	531,520
2027	62,870	7,007
2028 a 2040	2,345,321	2,422,283
Without expiry date	3,356,636	1,923,698
	5,799,488	4,928,141

Of the total of EDP Group's tax losses available to carry forward as at 31 December 2022, the amount of 677,374 thousand Euros does not have deferred tax asset, in accordance with the applicable accounting standards since, at the present date, there is still not sufficient visibility about the future period in which such tax losses will be used.

25. Inventories

This caption is as follows:

Thousand Euros	Group	
	Dec 2022	Dec 2021*
Merchandise	402,133	188,665
Finished, intermediate products and sub-products	37,284	42,890
Raw and subsidiary materials and consumables (coal and other fuels)	260,952	109,246
Nuclear fuel	14,446	14,764
CO2 licenses	30,875	79,960
Green certificates	172,658	157,532
Other	337,952	140,324
	1,256,300	733,381

* Includes restatement originated by changing the classification of the Green Certificates as described in note 2a)

The variation of the caption Inventories is essentially explained by the increase in the quantity of stocks of gas, coal and photovoltaic solar panels and the rise of gas prices.

The movements in the portfolio of CO2 Licenses held for trading and classified as inventories are as follows:

CO2 (Ton)	Group	
	Dec 2022	Dec 2021
CO2 Licenses held for trading on 1 January	1,000,000	1,772,000
Licenses negotiated in the market	832,010	4,521,185
Emission Licenses transferred from trading portfolio to intangibles	-1,449,798	-3,521,185
CO2 Licenses sold	-	-1,772,000
CO2 Licenses held for trading on 31 December	382,212	1,000,000
CO2 Licenses for trading on 31 December (in thousand Euros)	30,875	79,960

Fair value corresponds to the spot price (closing price) at the end of December in each period.

26. Debtors and other assets from commercial activities

At Group level, Debtors and other assets from commercial activities are as follows:

Thousand Euros	Non-Current		Current	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Assets measured at amortised cost:				
Amounts receivable from tariff adjustments – Electricity – Portugal	441,035	7,328	13,825	62,755
Amounts receivable from tariff adjustments – Electricity – Brazil (see note 38)	12,883	124,604	14,310	101,928
Debtors for other goods and services	-	-	67,521	39,134
Amounts receivable relating to CMEC	353,619	432,293	249,856	225,441
Amounts receivable from concessions – IFRIC 12	846,875	275,782	1,120,064	933,106
Other assets measured at amortised cost	214,071	118,955	318,137	404,138
Impairment losses on other assets measured at amortised cost	-82	-71	-3,024	-2,370
	1,868,401	958,891	1,780,689	1,764,132
Trade receivables at amortised cost:				
Trade receivables	108,415	32,856	1,797,683	1,939,214
Impairment losses on trade receivables	-8,810	-3,225	-259,025	-232,100
	99,605	29,631	1,538,658	1,707,114
Assets measured at fair value through other comprehensive income:				
Amounts receivable from tariff adjustments – Electricity – Portugal	23	483	1,141	563,563
Assets measured at fair value through profit or loss:				
Amounts receivable from concessions – IFRIC 12	1,012,104	693,785	-	-
Contract assets:				
Contract assets receivable from energy sales contracts	4	617	1,452,371	1,729,885
Contract assets receivable from concessions – IFRIC 12	729,520	921,412	-	-
	729,524	922,029	1,452,371	1,729,885
Other assets:				
Incremental costs of obtaining contracts with customers	32,219	34,130	7,677	-
Other assets from commercial activities	30,250	29,557	107,684	163,310
	62,469	63,687	115,361	163,310
	3,772,126	2,668,506	4,888,220	5,928,004

At Company level, Debtors and other assets from commercial activities are as follows:

Thousand Euros	Current	
	Dec 2022	Dec 2021
Assets measured at amortised cost:		
Debtors for other goods and services	50,959	38,753
Other assets measured at amortised cost	1,119,557	252,319
Impairment losses on other assets measured at amortised cost	-	-2
	1,170,516	291,070
Trade receivables at amortised cost:		
Trade receivables	465,630	897,757
Impairment losses on trade receivables	-210	-226
	465,420	897,531
Contract assets:		
Contract assets receivable from energy sales contracts	461,937	850,819
Other assets:		
Other assets from commercial activities	15,919	8,516
	2,113,792	2,047,936

The movement for the period in Amounts receivable from tariff adjustments – Electricity – Portugal (Non-current and Current) is as follows:

Thousand Euros	Non-Current	Current
Balance as at 31 December 2021	7,811	626,318
Receipts through the electricity tariff	-	-65,848
Securitization of tariff deficit	-	-558,000
Tariff adjustment of the period (see note 7)	127,855	-
Tariff adjustment of 2021 and 2022	-	4,600
Financial expenses (see note 13)	3	108
Transfer to/from tariff adjustment payable (see note 38)	502,119	-188,942
Transfer from Non-Current to Current	-196,730	196,730
Balance as at 31 December 2022	441,058	14,966

The tariff deficit securitization results from 4 individual transactions carried out during the first quarter of 2022, by SU Eletricidade, S.A., in the total amount of Euro 558 million of the 2021 tariff deficit. This tariff deficit results from the 5-year deferral of the recovery of the 2021 overcost related with the acquisition of energy from special regime generators (including adjustments for 2019 and 2020). In this sale transaction of assets, SU Eletricidade, S.A., gave in fully and without recourse, the right to receive such amounts and interest. The sale price amounted to 562 million Euros.

The tariff adjustment for the period in the amount of 127,855 thousand Euros, mainly related to the amount to be recovered related to the Purchase and Sale of Electricity for Customers Supply of SU Eletricidade, includes 188,942 thousand Euros to be recovered through 2023 tariffs, according to the provisional amount provided by the regulatory entity (see note 38) that has been reclassified to the caption Trade payables and other liabilities from commercial activities. Additionally, the tariff adjustment for the period in the amount of 524,724 thousand Euros presented in the caption Trade payables and other liabilities from commercial activities (see note 38) includes the component of Purchase and Sale of PRE energy of SU Eletricidade in the amount of 525,109 thousand Euros (961,734 thousand Euros to be returned through the 2023 tariffs and 443,776 thousand Euros that has been reclassified to the caption Debtors and other assets from commercial activities, according to the provisional amount provided by the regulatory entity).

As at 31 December 2022, the caption Assets measured at fair value through other comprehensive income includes the amount of the tariff deficit classified and measured at fair value through other comprehensive income. According to IFRS 13, the tariff deficit fair value is classified as level 2 (see note 45).

The following table provides details for the caption Amounts receivable from tariff adjustments – Electricity – Portugal, by nature and year of establishment, as well as presents the amounts of tariff deficit that have been sold during the period ended 31 December 2022:

Thousand Euros	Deficit	Tariff adj.	Sales	Total
Year:				
2016	-	1,449	-	1,449
2019	438	-	-	438
2020	45	26,073	-	26,118
2021	558,681	44,262	-558,000	44,943
2022	-	383,076	-	383,076
	559,164	454,860	-558,000	456,024

The caption Amounts receivable relating to CMEC is detailed as follows:

Thousand Euros	Non-Current	Current
Initial CMEC	241,029	51,381
Final adjustment	112,590	94,072
Revisibility 2014 - 2017 *	-	104,403
	353,619	249,856

* The revisibility calculation for 2016 to 2017 is still waiting the official approval.

The movement of the period in the captions Amounts receivable from concessions – IFRIC 12 and Contract assets receivable from concessions – IFRIC 12 is as follows:

Thousand Euros	Amounts receivable	Contract assets
Balance as at 31 December 2021	1,902,673	921,412
Investments of the period	-	624,732
Transfer to intangible assets (see note 18)	-	-306,160
Transfer between Amounts receivable and Contract assets	752,020	-752,020
Exchange differences	91,747	107,624
Perimeter variations and others	232,603	133,932
Balance as at 31 December 2022	2,979,043	729,520

The Perimeter variations and others in the caption Amounts receivable from concessions – IFRIC 12 includes the impact of the acquisition of EDP Goiás in the amount of 205,376 thousand Euros (see notes 6 and 49).

The movements in Impairment losses on trade receivables and other assets measured at amortised cost are as follows:

Thousand Euros	Trade receivables		Other assets	
	Non-current	Current	Non-current	Current
Balance as at 1 January 2021	8,771	253,067	2,894	1,406
Charge of the period	42	100,955	-	1,317
Reversal of impairment losses	-615	-65,424	-1,688	-1,759
Charge-off	-5,005	-40,432	-1,206	-2
Exchange differences	32	938	-	1
Perimeter variations/Other regularisations	-	-17,004	71	1,407
Balance as at 31 December 2021	3,225	232,100	71	2,370
Charge of the period	5,391	92,779	5	1,965
Reversal of impairment losses	-	-38,853	-	-1,088
Charge-off	-	-21,505	-	-213
Exchange differences	194	11,001	8	-13
Perimeter variations/Other regularisations	-	-16,497	-2	3
Balance as at 31 December 2022	8,810	259,025	82	3,024

The geographical market Trade receivables' breakdown and the credit risk analysis are disclosed in note 5, under the Counterparty credit risk management.

As at 31 December 2022 and 2021, on a company basis, trade receivables are from Portugal geographical market.

Contract assets receivable from energy sales contracts – Current include contract assets relating to energy delivered and not yet invoiced, amounts receivable from REN regarding the CMEC Revisibility of 2016 and 2017 which are awaiting approval, and accruals from UNGE's energy management business. The impairment losses on Trade receivables includes impairment losses related to Contract assets receivable from energy sales contracts.

27. Other debtors and other assets

Other debtors and other assets are as follows:

Thousand Euros	Group		Company	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Debtors and other assets – Non-Current				
Assets measured at amortised cost:				
Loans to subsidiaries	-	-	1,141,944	1,703,778
Loans to related parties	186,885	173,267	90	90
Guarantees rendered to third parties	133,931	102,766	-	-
Other financial assets at amortised cost (i)	1,751	8,002	256,650	512,042
Assets measured at fair value through profit or loss:				
Derivative financial instruments (see note 42)	1,035,814	712,710	1,590,973	1,439,961
Contingent price	50,873	155,216	-	-
Other assets:				
Excess of the pension fund financing (see note 35)	92,694	13,268	410	42
Other debtors and sundry operations	422,562	675,918	90,078	89,654
	1,924,510	1,841,147	3,080,145	3,745,567
Debtors and other assets – Current				
Assets measured at amortised cost:				
Loans to subsidiaries	-	-	538,550	968,218
Loans to related parties	354,484	100,261	3,490	-
Guarantees rendered to third parties	992,370	640,380	720,465	466,453
Subsidiary companies	-	-	229,858	249,800
Other financial assets at amortised cost (i)	7,386	16,171	260,639	280,060
Assets measured at fair value through profit or loss:				
Derivative financial instruments (see note 42)	1,539,884	1,640,616	2,449,615	3,852,144
Other financial investments measured at fair value	346	1,858	-	-
Contingent price	108,636	4,004	-	-
Other assets:				
Other debtors and sundry operations	368,689	407,565	23	-
	3,371,795	2,810,855	4,202,640	5,816,675
	5,296,305	4,652,002	7,282,785	9,562,242

Loans to subsidiaries – Non-Current and Current, for the Company, mainly includes 1,579,546 thousand Euros (31 December 2021: 1,503,659 thousand Euros) of loans granted to E-Redes – Distribuição de Eletricidade, S.A. (see note 44).

For the Loans to subsidiaries, EDP S.A. performs an analysis to evaluate impairment based on the general approach. The company uses several inputs on making its assessment of the credit risk related to these assets, such as the analysis of the historical possible delays and/or impairment losses indications, companies rating (when applicable) and market and macroeconomic data that may change the probability of default and the expectation of delays in the receivable amounts. According to the analysis performed, as per 31 December 2022, impairment was recognized on granted loans to EDP GEM Portugal, S.A. (see note 20).

The variation of the caption Loans to related parties – Current, on a consolidated basis, is mainly due to new loans granted to OW FS Offshore, S.A. in the amount of 319,246 thousand Euros, being the total amount of loans granted 326,814 thousand Euros at 31 December 2022.

The variation in the item Guarantees rendered to third parties is essentially explained by the significant increase in electricity and gas prices, which originated the need to reinforce collateral/collateral usually requested for transactions in these markets.

(i) Other financial assets at amortised cost

On a consolidated basis, this caption mainly includes securities issued by Tagus – Sociedade de Titularização de Créditos, SA, in the context of the transmission of the right to receive tariff adjustments (deviations and deficits) from the National Electric System for credit securitisation companies, acquired by SU Eletricidade, S.A. The detail of the balances arising from these operations is as follows:

Thousand Euros	Issue date	Class R Notes	Liquidity Notes	Senior Notes	Total
Overcost from special regime production 2017	Dec 2017	112	-	-	112
Overcost from special regime production 2018	Jun 2018	159	32	1,381	1,572
Overcost from special regime production 2019	Jun 2019	313	174	6,168	6,655
		584	206	7,549	8,339

On a company basis, this caption includes the bonds issued by EDP Finance B.V. reacquired on market by EDP S.A.

On November 2020, EDP S.A. has bought an amount of 53,357 thousand Euros of a private bond placement, issued by EDP Finance B.V.

On 1 July 2021, EDP S.A. has bought an amount of 647,040 thousand Euros of nominal debt, related with four bonds issued by EDP Finance B.V. in a market operation, in the total amount of 675,544 thousand Euros. This amount includes a premium and transaction costs amounting to 22,901 thousand Euros and accrued interest as at the acquisition date.

During 2022, EDP Finance B.V. repaid, at maturity, in the first quarter an issue of 858 million Euros, of which EDP S.A. had already reacquired 142,141 thousand Euros and in the fourth quarter an issue of 93 million Euros, of which EDP S.A. had already reacquired 53,357 thousand Euros.

The detail of these bonds is as follows:

Issuer	Maturity date	Currency	Interest rate	Nominal value in Currency '000	Acquired in Currency '000	Fair Value '000
EDP Finance B.V.	23 Mar 2023	EUR	2.38%	488,832	111,168	111,172
EDP Finance B.V.	29 Sep 2023	EUR	1.88%	462,465	137,535	136,337
EDP Finance B.V.	12 Feb 2024	EUR	1.13%	743,804	256,196	249,986

The variation of the caption Contingent prices mainly results from the reclassification from Non-Current to Current of the fair value of the contingent consideration in connection with the sale in 2018 and 2020 of a stake in the companies Éoliennes en Mer Dieppe – Le Tréport, S.A.S and Éoliennes en Mer Îles d'Yeu et de Noirmoutier, SAS to Sumitomo Corporation and to OW Offshore S.L.

The caption Other debtors and sundry operations – Non Current includes the financial consideration paid in advance in 2009 for the exploitation of the hydro power plants of Fridão and other amounts invested in such hydro power plant (see note 4) and the amount receivable from the sale of its 50% stake in Hydro Global Investment Limited to China International Water & Electric Corporation in December 2022 (see notes 6 and 44).

The variation of the caption Other debtors and sundry operations – Current is mainly: i) due to the receivable amount for the sale of the companies Eólica do Sincelo, S.A. and Eólica da Linha, S.A. in 2021, corresponding to 355,996 thousand Euros; ii) the reclassification of the amount of 377,148 thousand Euros, previously recorded under Other debtors and sundry operations– Non-Current, which corresponds to amounts receivable due to sale transactions of companies Rosewater Wind Farm LLC in 2020 and Indiana Crossroads Wind Farm LLC in 2021; and iii) the amount to be received of 178,269 thousand Euros for the sale of several wind farms in Brasil in 2022.

28. Tax assets

Current tax assets are as follows:

Thousand Euros	Group		Company	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Non-Current:				
Special taxes Brazil	109,902	173,846	-	-
Current:				
Income tax	188,981	132,109	44,305	48,893
Value added tax (VAT)	516,010	295,789	149,058	44,659
Special taxes Brazil	87,004	93,624	-	-
Other taxes	22,303	30,320	877	874
	814,298	551,842	194,240	94,426
	924,200	725,688	194,240	94,426

The Special taxes Brazil caption relates to the following taxes: CSLL (Social Contribution on net profits), PIS (Social integration programme) and COFINS (Social Security Financing Contribution).

The increase in the income tax caption corresponds, mainly, to the amount related with the tax paid in the past for the sale of certain companies which Directors and legal experts have estimated recoverable.

29. Cash and cash equivalents

Cash and cash equivalents are as follows:

Thousand Euros	Group		Company	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Cash	636	288	38	29
Bank deposits				
Current deposits	3,553,609	2,572,979	1,445,638	1,177,071
Term deposits	1,331,823	458,386	450,000	-
Specific demand deposits in relation to institutional partnerships	1,633	314	-	-
	4,887,065	3,031,679	1,895,638	1,177,071
Operations pending cash settlement				
Current deposits	-	-	600,000	140,000
Other operations				
Other short term investments	12,504	205,623	-	200,178
Group Financial System (see note 44)	-	-	1,649,398	973,175
	4,900,205	3,237,590	4,145,074	2,490,453
Held for sale operations:				
Cash and cash equivalents reclassified as held for sale (see note 41)	-	-15,181	-	-
	4,900,205	3,222,409	4,145,074	2,490,453

Specific demand deposits in relation to institutional partnerships corresponds to funds required to be held in escrow sufficient to pay the remaining construction related costs of projects in institutional equity partnerships (see note 37), which are described in EDP Group accounting policies.

As at 31 December 2022, on a company basis, the caption Operations pending cash settlement represents commercial paper issued by EDP S.A. in the amount of 600,000 thousand Euros (31 December 2021: 140,000 thousand Euros), acquired by EDP Finance B.V., which settlement date occurred on 3 January 2023.

30. Share capital and share premium

EDP, S.A. was incorporated as a State-owned company and started its privatisation process in 1997. The second and third phases of the privatisation process were carried out in 1998, the fourth phase in 2000, the fifth phase consisting of a capital increase in 2004 and a sixth phase in 2005. In December 2007, the State issued bonds convertible into shares of EDP, S.A. under the seventh phase of the privatisation process.

On 11 May 2012, regarding EDP's eighth privatisation phase, the Portuguese State sold to China Three Gorges (Europe), S.A. (former - CWEI (Europe), S.A.), the ownership of 780,633,782 shares representing 21.35% of the share capital and the voting rights of EDP, S.A.

On 21 February 2013, Parpública – Participações Públicas (SGPS) S.A. (Parpública) notified EDP that, on 19 February 2013, it sold 151,517,000 shares, which correspond to 4.14% of EDP's share capital.

As a result of these last two transactions, Parpública no longer has a qualified shareholding position in EDP share capital.

On 29 September 2017, China Three Gorges (Europe), S.A. acquired 70,143,242 shares representing around 1.92% of EDP's share capital and voting rights. After this acquisition, an off-market transaction, CTG Europe became the holder of 850,777,024 shares.

On 11 August 2020, EDP made a capital increase by issuing 309,143,297 ordinary, book-entry and nominative shares, with a unit face value of 1 Euro, with a unit subscription price of 3.30 Euros, offered to subscription of its shareholders, in the exercise of the respective preemptive rights. The new ordinary shares will be fungible with existing ordinary shares and will entitle their holders to the same rights as those of pre-existing shares. As such, the current share capital of EDP is now of 3,965,681,012 Euros, represented by 3,965,681,012 ordinary, registered, book-entry shares with nominal value 1,00 Euro each.

EDP – Energias de Portugal S.A. shareholder structure as at 31 December 2022 is as follows:

	No. of Shares	% Capital	% Voting
China Three Gorges Corporation	835,980,316	21.08%	21.08%
Oppidum Capital, S.L.	285,414,883	7.20%	7.20%
BlackRock, Inc.	285,319,442	7.19%	7.19%
Canada Pension Plan Investment Board	234,718,462	5.92%	5.92%
EDP (Treasury Stock)	18,616,167	0.47%	
Remaining Shareholders	2,305,631,742	58.14%	
	3,965,681,012	100.00%	

Share capital and Share premium are as follows:

Thousand Euros	Group and Company	
	Share capital	Share premium
Balance as at 1 January	3,965,681	1,196,522
Movements during the period	-	-
Balance as at 31 December	3,965,681	1,196,522

The earnings per share (EPS) attributable to the equity holders of EDP are as follows:

	Group		Company	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Net profit attributable to the equity holders of EDP (in Euros)	679,000,835	656,716,781	848,564,985	824,069,863
Net profit from continuing operations attributable to the equity holders of EDP (in Euros)	679,000,835	656,716,781	848,564,985	824,069,863
Weighted average number of ordinary shares outstanding	3,946,840,015	3,946,530,875	3,946,840,015	3,946,530,875
Weighted average number of diluted ordinary shares outstanding	3,946,840,015	3,946,530,875	3,946,840,015	3,946,530,875
Basic earnings per share attributable to equity holders of EDP (in Euros)	0.17	0.17	0.21	0.21
Diluted earnings per share attributable to equity holders of EDP (in Euros)	0.17	0.17	0.21	0.21
Basic earnings per share from continuing operations (in Euros)	0.17	0.17	0.21	0.21
Diluted earnings per share from continuing operations (in Euros)	0.17	0.17	0.21	0.21

EDP Group calculates basic and diluted earnings per share attributable to equity holders of EDP using the weighted average number of ordinary shares outstanding during the period, net of changes in treasury stock during the period. Basic earnings per share and diluted earnings per share are equal because there are no dilution factors.

The average number of shares is determined as follows:

	Group		Company	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Ordinary shares issued at the beginning of the period	3,965,681,012	3,965,681,012	3,965,681,012	3,965,681,012
Effect of shares issued during the period	-	-	-	-
Average number of realised shares	3,965,681,012	3,965,681,012	3,965,681,012	3,965,681,012
Effect of treasury stock	-18,840,997	-19,150,137	-18,840,997	-19,150,137
Average number and diluted average number of shares during the period	3,946,840,015	3,946,530,875	3,946,840,015	3,946,530,875

31. Treasury stock

This caption is as follows:

	Group		Company	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Book value of EDP, S.A.'s treasury stock (thousand Euros)	51,288	52,660	51,288	52,660
Number of shares	18,616,167	19,103,158	18,616,167	19,103,158
Market value per share (in Euros)	4.656	4.832	4.656	4.832
Market value of EDP, S.A.'s treasury stock (thousand Euros)	86,677	92,306	86,677	92,306

Shares' transactions occurred between 1 January and 31 December 2022:

	EDP, S.A.
Volume acquired (number of shares)	250,000
Average purchase price (in Euros)	3.927
Total purchases (thousand Euros)	982
Volume sold (number of shares) i)	-736,991
Average selling price (in Euros)	4.441
Total sales (thousand Euros) i)	3,273
Final position (number of shares)	18,616,167
Highest market price (in Euros)	4.441
Lowest market price (in Euros)	3,927
Average market price (in Euros)	4.311

i) Includes the distribution of treasury stocks to employees (see note 10).

The treasury stock held by EDP, S.A. is within the limits established by the Company's articles of association and by the "Código das Sociedades Comerciais" (Portuguese Commercial Companies Code). Treasury stock is recognised at acquisition cost.

32. Reserves and retained earnings

This caption is as follows:

Thousand Euros	Group		Company	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Legal reserve	793,136	782,932	793,136	782,932
Fair value reserve (cash flow hedge)	-1,962,818	-1,063,338	-764,676	553,245
Tax effect of fair value reserve (cash flow hedge)	467,716	282,478	160,543	-124,519
Fair value reserve of assets measured at fair value through other comprehensive income	15,847	21,405	-	-
Tax effect of the fair value reserve of assets measured at fair value through other comprehensive income	-187	-4,043	-	-
Currency translation reserve - Exchange differences arising on consolidation	33,795	-391,219	-	-
Currency translation reserve - Net investment hedge	-860,381	-595,305	-	-
Currency translation reserve - Net investment hedge - Cost of hedging	-62,340	-42,953	-	-
Treasury stock reserve (EDP, S.A.)	51,288	52,660	51,288	52,660
Other reserves and retained earnings	4,617,477	4,513,932	2,083,548	2,015,173
	3,093,533	3,556,549	2,323,839	3,279,491

Legal reserve

In accordance with article no. 295 of "Código das Sociedades Comerciais" (Portuguese Commercial Companies Code) and EDP, S.A.'s articles of association, the legal reserve must be increased by a minimum of 5% of the annual profit until it reaches 20% of the company's share capital. This reserve can only be used to cover losses or to increase share capital.

Fair value reserve (cash flow hedge)

This reserve includes the effective portion of the cumulative net change in the fair value of the cash flow hedging financial derivative instruments.

The variation in the caption Fair value reserve (cash flow hedge) reflects, essentially, the impact of the price increase of the indexes associated with electricity and gas, which reflect the current evolution on the market.

The reconciliation of the fair value reserve is included in Note 42.

Fair value reserve (financial assets at fair value through other comprehensive income)

The changes in this consolidated caption for the period are as follows:

Thousand Euros	Fair Value Reserve				
	Balance Dec 2021	Increases	Decreases	Perimeter variations	Balance Dec 2022
Defined Crowd Corporation (see note 22)	6,339	-	-1,338	-	5,001
Mercer and Dunas Funds (Energia RE portfolio) (see note 22)	8,897	-	-12,749	-	-3,852
SU Eletricidade, S.A. tariff deficit (see note 26)	352	-	-	-	352
Eólicas Páramo de Poza (associate portfolio)	-	7,761	-	-	7,761
Other (see note 22)	5,817	4,162	-3,398	4	6,585
	21,405	11,923	-17,485	4	15,847

Currency translation reserve – Exchange differences arising on consolidation

Exchange differences arising on consolidation corresponds to the amounts resulting from changes in the value of net assets of subsidiaries, joint ventures and associated companies resulting from changes in exchange rates. The exchange rates used in the preparation of the financial statements are as follows:

Currency		Exchange rates			
		Dec 2 022		Dec 2021	
		Close	Average	Close	Average
US Dollar	USD	1.067	1.053	1.133	1.183
Brazilian Real	BRL	5.639	5.440	6.310	6.378
Macao Pataca	MOP	8.566	8.492	9.098	9.469
Canadian Dollar	CAD	1.444	1.369	1.439	1.483
Singapore Dollar	SGD	1.430	1.451	1.528	1.589
Polish Zloty	PLN	4.690	4.688	4.599	4.567
Romanian Leu	RON	4.947	4.931	4.948	4.921
Pound Sterling	GBP	0.887	0.853	0.840	0.860
Mexican Peso	MXN	20.781	21.198	23.275	23.985
Colombian Peso	COP	5,133.686	4,470.960	4,527.375	4,425.924
Chinese Yuan	CNY	7.358	7.211	7.195	7.628
Korean Won	KRW	1,344.090	1,358.073	1,346.380	1,354.057
Japanese Yen	JPY	140.660	138.027	130.380	129.877
Australian Dollar	AUD	1.579	1.516	1.561	1.575
Indonesian Rupiah	IDR	16,474.654	15,625.767	16,100.420	16,914.316
Malaysian Ringgit	MYR	4.692	4.629	4.718	4.900
Philippine Peso	PHP	58.272	57.313	57.763	58.273
Thai Bath	THB	36.648	36.869	37.653	37.809
Vietnamese Dong	VND	25,182.430	24,601.278	25,851.600	27,078.746
Hungarian Forint	HUF	400.870	391.286	369.190	358.516

The movement for the period in Exchange differences arising on consolidation is mainly due to the effect of the appreciation of the US Dollar and the Brazilian Real against the Euro.

Currency translation reserve – Net investment hedge and Cost of hedging

The changes in these captions, net of income tax, for the period are as follows:

Thousand Euros	Net investment hedge	Cost of hedging
Balance as at 31 December 2021	-595,305	-42,953
Changes in fair value	-261,854	-19,387
Transfer to income statement resulting from the sale of a foreign currency subsidiary	-3,222	-
Balance as at 31 December 2022	-860,381	-62,340

The caption Net investment hedge corresponds to the amounts resulting from the application of hedge accounting to investments in subsidiaries in foreign currencies, mainly in EDPR North America subsidiaries, through financial derivative instruments (see note 42) and debt in foreign currency. The caption Cost of hedging corresponds to the amounts determined in accordance with accounting policies (see note 2 d)).

Treasury stock reserve (EDP, S.A.)

In accordance with the article 324º of "Código das Sociedades Comerciais" (Portuguese Commercial Companies Code), EDP, S.A. has created an unavailable reserve with an amount equal to the book value amount of treasury stock held in the company statements.

Dividends

On 06 April 2022, the Shareholders General Meeting of EDP, S.A. approved the dividends distribution to shareholders of the net profit for the year 2021 in the amount of 753,479 thousand Euros, corresponding to a dividend of 0.19 Euros per share (including the treasury stock dividend). This distribution occurred on 28 April 2022.

33. Non-controlling interests

This caption is as follows:

Thousand Euros	Group	
	Dec 2022	Dec 2021
Non-controlling interests in income statement	490,748	447,929
Non-controlling interests in equity and reserves	4,460,411	4,206,827
	4,951,159	4,654,756

The movement by subgroup of the non-controlling interests item is analysed as follows:

Thousand Euros	EDP	EDP	Other	Total
	Renováveis Group	Brasil Group		
Balance as at 31 December 2021	3,553,310	979,334	122,112	4,654,756
Results	362,018	83,921	44,809	490,748
Dividends	-84,428	-117,616	-	-202,044
Currency Exchange differences	72,587	94,305	-62	166,830
Capital Increases/Decreases	-98,356	-47,228	-14	-145,598
Changes in the fair value reserve (cash flow hedge)	-92,381	-78	-	-92,459
Perimeter variations and Others	44,387	34,752	-213	78,926
Balance as at 31 December 2022	3,757,137	1,027,390	166,632	4,951,159

The summarised financial information for subsidiaries with material non-controlling interests, namely EDP Brasil and EDP Renováveis, as at 31 December 2022, is disclosed in the Annex I.

34. Financial debt

This caption is as follows:

Thousand Euros	Group		Company	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Debt and borrowings – Non-current				
Bank loans:				
- EDP, S.A.	3,333	-	3,333	-
- EDP Finance B.V. **	-13,566	-6,796	-	-
- EDP Brasil Group	284,657	210,050	-	-
- EDP Renováveis Group	936,595	813,616	-	-
- Others	370	1,305	-	-
	1,211,389	1,018,175	3,333	-
Non-convertible bond loans:				
- EDP S.A.	1,294,988	743,874	2,694,988	5,143,874
- EDP Finance B.V.	8,244,657	7,047,836	-	-
- EDP Brasil Group	1,389,029	1,115,680	-	-
- EDP España Group	-	1,051,954	-	-
	10,928,674	9,959,344	2,694,988	5,143,874
Hybrid bonds:				
- EDP S.A.	3,044,554	3,717,072	3,044,554	3,717,072
	3,044,554	3,717,072	3,044,554	3,717,072
Commercial paper:				
- EDP S.A.	-	220,732	-	220,732
- EDP Finance B.V.	339,865	198,658	-	-
- EDP Brasil Group	250,429	103,009	-	-
	590,294	522,399	-	220,732
Other loans				
	36,108	26,132	-	-
	15,811,019	15,243,122	5,742,875	9,081,678
Accrued interest				
	31,482	5,511	-	-
Other liabilities:				
- Fair value of the issued debt hedged risk	-59,897	50,955	11,195	-
Total Debt and Borrowings	15,782,604	15,299,588	5,754,070	9,081,678
Collateral Deposits – Non-current *	-23,765	-23,397	-	-
	15,758,839	15,276,191	5,754,070	9,081,678

* Deposits constituted as collateral for financial guarantee.

** Deferred discount of origination fees on celebrated RCF, which are currently not used.

Thousand Euros	Group		Company	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Debt and borrowings – Current				
Bank loans:				
– EDP, S.A.	1,667	–	1,667	–
– EDP Finance B.V.	216	–	–	–
– EDP Brasil Group	153,853	120,154	–	–
– EDP Renováveis Group	432,012	103,093	–	–
	587,748	223,247	1,667	–
Non-convertible bond loans:				
– EDP S.A.	500,000	–	3,500,000	900,000
– EDP Finance B.V.	1,100,288	942,554	–	–
– EDP Brasil Group	212,976	82,792	–	–
	1,813,264	1,025,346	3,500,000	900,000
Hybrid bonds:				
– EDP, S.A.	672,800	–	672,800	–
	672,800	–	672,800	–
Commercial paper:				
– EDP S.A.	–	–	1,690,000	620,000
– EDP Finance B.V.	750,475	–	–	–
– EDP Brasil Group	117,029	–	–	–
	867,504	–	1,690,000	620,000
Other loans				
– Group Financial System (see note 44)	–	–	2,195,726	2,348,605
– Other	3,804	1,395	–	–
	3,804	1,395	2,195,726	2,348,605
Accrued interest	258,232	242,653	97,380	84,016
Other liabilities:				
– Fair value of the issued debt hedged risk	36,517	25,707	32,059	–
Total Debt and Borrowings	4,239,869	1,518,348	8,189,632	3,952,621
Collateral Deposits – Current *	-29,336	-26,678	–	–
	4,210,533	1,491,670	8,189,632	3,952,621

* Deposits constituted as collateral for financial guarantee.

Non-current Commercial Paper refers to three Commercial Paper programs with firm underwriting commitment for a period of over one year, in the total amount of 363,000 thousand US Dollars and 1,412,000 thousand Brazilian Real.

Main events of the period:

On 25 February, the extraordinary resolutions regarding IE2 Holdco, S.A.U.'s consent solicitation relating to the “€500,000,000 2.375 per cent. Notes due 27 November 2023” and “€550,000,000 2.875 per cent. Notes due 1 June 2026” were passed, which resulted in (i) EDP S.A. replacing IE2 Holdco S.A.U as issuer of the Notes, (ii) the cancellation of Viesgo Holdco, S.A.U guarantee, and (iii) certain other terms and conditions of the Notes being amended to bring them in line with the current issuances of EDP SA under its EMTN Programme.

On 14 March, EDP issued a green bond of 1,250 million Euros with final maturity in September 2029, under the EMTN bond program.

On 4 August, EDP signed a five-year revolving credit facility (‘RCF’), with options to extend for 2 additional years (subject to Lenders’ agreement), in the amount of 3.650 million, which can be drawn in Euros and US Dollars. It is EDP’s first sustainability-linked loan and includes two ESG KPIs: reduction of scope 1 and 2 greenhouse gas emissions and an increase in the percentage of installed capacity from renewable sources within EDP Group.

On 19 September, Porto de Pecém Geração de Energia issued its first commercial paper issuance of 1,500 million Brazilian Real, with maturity in July 2027.

On 11 October, EDP issued, under the EMTN bond program, two green bonds of 500 million Euros and 500 million US Dollars, maturing in March 2030 and October 2027, respectively.

The nominal value of outstanding Bond loans placed with external counterparties, as at 31 December 2022, is as follows:

Issuer	Issue date	Interest rate	Type of hedge	Conditions/Redemp.	Nominal Value in Million Currency	Thousand Euros	
						Group	Company
Hybrids by EDP S.A.							
EDP S.A. (iv)	Jan-19	Fixed rate EUR 4.496% (v)	n.a.	Apr-79	1,000 EUR	1,000,000	1,000,000
EDP S.A. (vi)	Jan-20	Fixed rate EUR 1.7% (vii)	n.a.	Jul-80	750 EUR	750,000	750,000
EDP S.A. (viii)	Jan-21	Fixed Rate EUR 1.875% (v)	n.a.	Aug-81	750 EUR	750,000	750,000
EDP S.A. (ix)	Sep-21	Fixed Rate EUR 1.5% (v)	n.a.	Mar-82	750 EUR	750,000	750,000
EDP S.A. (x)	Sep-21	Fixed Rate EUR 1.875% (xi)	n.a.	Mar-82	500 EUR	500,000	500,000
						3,750,000	3,750,000
Issued under a Standalone Prospectus							
EDP S.A.	Nov-15	Fixed rate EUR 2,375%	n.a.	Nov-23	500 EUR	500,000	500,000
EDP S.A.	Jun-16	Fixed rate EUR 2,875%	n.a.	Jun-26	400 EUR	400,000	400,000
EDP S.A.	Jul-16	Fixed rate EUR 2,875%	n.a.	Jun-26	150 EUR	150,000	150,000
						1,050,000	1,050,000
Issued under the Euro Medium Term Notes program (EMTN)							
EDP Finance B.V.(i)	Nov-08	Fixed rate GBP 8.625%	Fair Value (i)	Jan-24	325 GBP	410,314	-
EDP Finance B.V.	Nov-08	Zero coupon EUR (iii)	n.a.	Nov-23	160 EUR	160,000	-
EDP Finance B.V.(i)	Apr-15	Fixed rate EUR 2%	Fair Value (i)	Apr-25	750 EUR	750,000	-
EDP Finance B.V.(ii)	Mar-16	Fixed rate EUR 2.375%	n.a.	Mar-23	489 EUR	488,832	-
EDP Finance B.V.(i)(ii)	Aug-16	Fixed rate EUR 1.125%	Net Invest. (i)	Feb-24	744 EUR	743,804	-
EDP Finance B.V.(ii)	Jan-17	Fixed rate EUR 1.875%	n.a.	Sep-23	462 EUR	462,465	-
EDP Finance B.V.	Jun-17	Fixed rate USD 3.625%	Net Invest.	Jul-24	1000 USD	937,559	-
EDP Finance B.V.	Nov-17	Fixed rate EUR 1.5%	Net Invest.(i)(xii)	Nov-27	500 EUR	500,000	-
EDP Finance B.V.	Jun-18	Fixed rate EUR 1.625%	n.a.	Jan-26	750 EUR	750,000	-
EDP Finance B.V.	Oct-18	Fixed rate EUR 1.875%	n.a.	Oct-25	600 EUR	600,000	-
EDP Finance B.V.	Sep-19	Fixed rate EUR 0.375%	Net Invest.(i)(xii)	Sep-26	600 EUR	600,000	-
EDP S.A.	Apr-20	Fixed rate EUR 1.625%	n.a.	Apr-27	750 EUR	750,000	750,000
EDP Finance B.V.	Sep-20	Fixed rate USD 1.71%	Net Invest.	Jan-28	850 USD	796,925	-
EDP Finance B.V.	Mar-22	Fixed rate EUR 1.875%	Net Invest.(i)(xii)	Sep-29	1,250 EUR	1,250,000	-
EDP Finance B.V.	Oct-22	Fixed rate EUR 3.875%	Net Invest. (i)	Mar-30	500 EUR	500,000	-
EDP Finance B.V.	Oct-22	Fixed rate USD 6.3%	Net Invest.	Oct-27	500 USD	468,779	-
						10,168,678	750,000

- (i) These issues by EDP Finance B.V. are associated with interest rate swaps and/or currency swaps;
- (ii) Consolidated nominal value after the repurchase of securities by EDP – Energias de Portugal, S.A.;
- (iii) These issues correspond to private placements;
- (iv) There is a call option exercisable at par by EDP at January 2024 and subsequently, on each interest payment date. Part of this issue was repurchased in January 2023 (see note 46);
- (v) Fixed rate in the first 5,25 years, subsequently updated every 5 years;
- (vi) There is a call option exercisable at par by EDP at April 2025 and July 2025 and subsequently, on each interest payment date;
- (vii) Fixed rate in the first 5,5 years, subsequently updated every 5 years;
- (viii) There is a call option exercisable at par by EDP from May 2026 until August 2026 and subsequently, on each interest payment date;
- (ix) There is a call option exercisable at par by EDP from December 2026 until March 2027 and subsequently, on each interest payment date;
- (x) There is a call option exercisable at par by EDP from June 2029 until September 2029 and subsequently, on each interest payment date;
- (xi) Fixed rate in the first 7.75 years, subsequently updated every 5 years;
- (xii) These issues by EDP Finance B.V. are partially associated with interest rate and currency swaps.

Issuer	Issue date	Interest rate	Type of hedge	Conditions/Redemp.	Nominal Value in Million Currency	Thousand Euros	
						Group	Company
Issued by the EDP Energias do Brasil Group in the Brazilian domestic market							
Energias do Brasil	Sep-15	IPCA + 8.7608%	n.a.	Sep-24	45 BRL	7,948	-
EDP Espírito Santo	Aug-18	IPCA + 5.91%	n.a.	Jul-25	242 BRL	42,955	-
EDP São Paulo	Aug-18	IPCA + 5.91%	n.a.	Aug-25	331 BRL	58,781	-
EDP Transmissão	Oct-18	IPCA + 6.72%	n.a.	Oct-28	1,518 BRL	269,128	-
Enerpeixe	Dec-18	112.48% CDI	n.a.	Nov-23	255 BRL	45,224	-
EDP Espírito Santo	Apr-19	106.9% CDI	n.a.	Mar-24	300 BRL	53,205	-
EDP São Paulo	Apr-19	107.5% CDI	n.a.	Mar-24	200 BRL	35,470	-
EDP Transmissão	Aug-19	IPCA + 4.45%	n.a.	Jul-39	1,087 BRL	192,699	-
EDP São Paulo	Feb-21	IPCA + 3.91%	n.a.	Jan-26	796 BRL	141,119	-
EDP Espírito Santo	Feb-21	IPCA + 3.26%	n.a.	Jul-25	576 BRL	102,083	-
Enerpeixe	Mar-21	CDI + 1.75%	n.a.	Mar-26	275 BRL	48,771	-
Lajeado Energia	Jun-21	CDI + 1.05%	n.a.	Jun-24	150 BRL	26,602	-
EDP São Paulo	Aug-21	CDI + 1.25%	n.a.	Jul-26	350 BRL	62,072	-
EDP Espírito Santo	Aug-21	CDI + 1.25%	n.a.	Jul-25	400 BRL	70,939	-
EDP Transmissão	Nov-21	CDI + 1.10%	n.a.	Nov-23	525 BRL	93,108	-
EDP São Paulo	Dec-21	CDI + 1.38%	n.a.	Dec-26	450 BRL	79,807	-
PCH Leopoldina	Jan-22	CDI + 1.52%	n.a.	Jan-24	700 BRL	124,144	-
Lajeado Energia	May-22	CDI + 1.45%	n.a.	May-25	200 BRL	35,469	-
EDP São Paulo	Jun-22	CDI + 1.20%	n.a.	May-27	450 BRL	79,807	-
EDP Espírito Santo	Jun-22	CDI + 1.20%	n.a.	May-27	270 BRL	47,884	-
						1,617,215	-
						16,585,893	5,550,000

Some of the loans contracted by the EDP Group, mainly debt issued under the EMTN, include some usual clauses in this type of operations, namely, "change-of-control", "negative pledge", "pari-passu" and "cross-default" clauses, each one only applicable under a restricted set of circumstances.

The Group has project finance loans with the usual guarantees for such loans, namely pledges or promissory pledges over shares, bank accounts and assets relating to the projects. As at 31 December 2022, these loans amounted to 1,097,179 thousand Euros (31 December 2021: 843,778 thousand Euros) included in financial debt caption. At 31 December 2022, the Group confirms the fulfillment of all the covenants of the Project Finance Portfolio under the Facilities Agreements. Additionally, there are 16,111 thousand Euros of other loans that are guaranteed by EDPR (31 December 2021: 17,329 thousand Euros).

EDP Group has several credit facilities it uses for liquidity management. EDP Group has short-term credit facilities of 255 million Euros, indexed to Euribor for the agreed period of use with spread conditions agreed in advance, all with a firm underwriting commitment. Regarding medium-term credit facilities with a firm underwriting commitment, EDP Group has two Revolving Credit Facilities, namely (i) 3,650 million Euros that mature in 2027, totally available as at 31 December 2022; and (ii) 2,240 million Euros, of which 2,095 million Euros mature in 2025 while the remaining amount matures in 2023, totally available as at 31 December 2022.

As at 31 December 2022, future debt and interest payments and origination fees, by type of loan and currency, are as follows:

Thousand Euros	Dec 2023	Dec 2024	Dec 2025	Dec 2026	Dec 2027	Following years	Total
Bank loans:							
Euro	304,500	26,891	13,422	-	-	370	345,183
Brazilian Real	168,190	82,457	26,388	17,296	19,698	200,924	514,953
US Dollar	55,812	220,377	21,825	22,727	23,410	219,554	563,705
Other	89,669	44,513	38,413	32,664	25,046	219,285	449,590
	618,171	374,238	100,048	72,687	68,154	640,133	1,873,431
Bond loans:							
Euro	1,717,074	1,121,289	1,350,000	1,900,000	1,250,000	1,750,000	9,088,363
Brazilian Real	252,648	338,293	546,292	209,361	64,845	259,899	1,671,338
US Dollar	28,177	937,559	-	-	468,779	796,925	2,231,440
	1,997,899	2,397,141	1,896,292	2,109,361	1,783,624	2,806,824	12,991,141
Hybrid Bonds:							
Euro	726,552	-	-	-	-	3,077,200	3,803,752
	726,552	-	-	-	-	3,077,200	3,803,752
Commercial paper:							
Euro	645,000	-	-	-	-	-	645,000
Brazilian Real	117,029	104,685	51,480	51,480	42,784	-	367,458
US Dollar	108,384	-	339,865	-	-	-	448,249
	870,413	104,685	391,345	51,480	42,784	-	1,460,707
Other loans:							
Euro	1,582	1,011	1,031	1,304	1,073	10,955	16,956
Brazilian Real	1,339	-	-	-	-	11,364	12,703
Other	1,306	1,616	753	753	753	5,493	10,674
	4,227	2,627	1,784	2,057	1,826	27,812	40,333
Fair Value:	36,517	-17,838	-36,045	-	-	-6,014	-23,380
Origination Fees:	-13,910	-16,833	-4,266	-4,642	-5,540	-78,320	-123,511
	4,239,869	2,844,020	2,349,158	2,230,943	1,890,848	6,467,635	20,022,473

As at 31 December 2021, future debt and interest payments and origination fees, by type of loan and currency, are as follows:

Thousand Euros	Dec 2022	Dec 2023	Dec 2024	Dec 2025	Dec 2026	Following years	Total
Bank loans:							
Euro	31,420	31,096	25,224	12,292	324	445	100,801
Brazilian Real	115,418	146,825	51,194	42,088	24,321	203,512	583,358
US Dollar	65,853	18,037	20,274	20,614	21,479	233,449	379,706
Other	25,694	16,471	20,010	10,015	5,021	140,643	217,854
	238,385	212,429	116,702	85,009	51,145	578,049	1,281,719
Bond loans:							
Euro	1,060,831	1,611,297	1,150,773	1,350,000	1,900,000	1,250,000	8,322,901
Brazilian Real	120,986	166,543	191,470	409,168	140,793	222,959	1,251,919
US Dollar	20,355	-	882,924	-	-	750,486	1,653,765
	1,202,172	1,777,840	2,225,167	1,759,168	2,040,793	2,223,445	11,228,585
Hybrid Bond:							
Euro	48,081	-	-	-	-	3,750,000	3,798,081
	48,081	-	-	-	-	3,750,000	3,798,081
Commercial paper:							
Brazilian Real	-	55,467	47,543	-	-	-	103,010
US Dollar	2,769	99,329	-	320,060	-	-	422,158
	2,769	154,796	47,543	320,060	-	-	525,168
Other loans:							
Euro	2,095	1,202	1,011	1,031	1,052	12,037	18,428
Brazilian Real	409	-	-	-	-	9,799	10,208
	2,504	1,202	1,011	1,031	1,052	21,836	28,636
Fair Value:	25,707	-	-3,190	14,841	-	39,304	76,662
Origination Fees:	-1,270	-23,491	-10,250	-8,164	-5,982	-71,758	-120,915
	1,518,348	2,122,776	2,376,983	2,171,945	2,087,008	6,540,876	16,817,936

In accordance with the Group's accounting policies, the financial liabilities whose risks are being hedged by derivative financial instruments and that comply with hedge accounting requirements of IFRS 9, are accounted at fair value. The financial liabilities are booked at amortised cost.

35. Employee benefits

Employee benefits are as follows:

Thousand Euros	Non-Current		Current	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Provisions for pension liabilities	254,005	379,689	92,192	107,212
Provisions for medical liabilities and other benefits	390,294	560,577	34,575	72,322
	644,299	940,266	126,767	179,534

The movement in Provisions for employee benefits liabilities for EDP Group is as follows:

Thousand Euros	Pensions		Medical and Other	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Balance at the beginning of the period	486,901	629,608	632,899	712,696
Charge for the period	9,023	8,521	20,632	20,157
Past service cost (Curtailment/Plan amendments)	2,243	6,844	1,053	8,469
Actuarial (gains)/losses	-114,692	460	-170,852	-53,502
Charge-off	-112,802	-122,565	-38,595	-65,621
Fund contributions (see note 44)	-6,188	-	-34,560	-11,520
Surplus pension funding (see note 27)	76,082	-16,342	3,344	-
Transfers, reclassifications and exchange differences	5,630	-19,625	10,948	22,220
Balance at the end of the period	346,197	486,901	424,869	632,899

The breakdown of actuarial gains and losses is as follows:

Thousand Euros	Pensions		Medical and Other	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Actuarial gains and losses arising from:				
- changes in demographic assumptions	935	15,778	-	8,705
- changes in financial assumptions	-178,265	-23,233	-220,306	-18,539
- experience adjustments	-6,152	76,553	7,259	-5,019
Actuarial gains and losses arising from return on plan assets	64,462	-69,872	42,195	-38,649
Actuarial gains and losses of asset ceiling	4,328	1,234	-	-
	-114,692	460	-170,852	-53,502

The components of the consolidated net cost of the pension plans recognised during the period are as follows:

Thousand Euros	Dec 2022			
	Portugal	Spain	Brazil	Group
Current service cost (see note 10)	3,870	181	-160	3,891
Past service cost (Curtailment/Plan amendments) (see note 10)	2,243	-	-	2,243
Operational component	6,113	181	-160	6,134
Net interest on the net pensions plan liability (see note 13)	869	59	4,204	5,132
Financial component	869	59	4,204	5,132
	6,982	240	4,044	11,266

Thousand Euros	Dec 2021			
	Portugal	Spain	Brazil	Group
Current service cost (see note 10)	5,569	-	-348	5,221
Past service cost (Curtailment/Plan amendments) (see note 10)	6,844	-	-	6,844
Operational component	12,413	-	-348	12,065
Net interest on the net pensions plan liability (see note 13)	563	1	2,736	3,300
Financial component	563	1	2,736	3,300
	12,976	1	2,388	15,365

The components of the consolidated net cost of the medical and other benefits plans recognised during the period are as follows:

Thousand Euros	Dec 2022			
	Portugal	Spain	Brazil	Group
Current service cost (see note 10)	2,964	2,363	320	5,647
Past service cost (Curtailment/Plan amendments) (see note 10)	65	988	-	1,053
Operational component	3,029	3,351	320	6,700
Net interest on the net medical liabilities and other benefits (see note 13)	2,748	2,985	9,252	14,985
Financial component	2,748	2,985	9,252	14,985
	5,777	6,336	9,572	21,685

Thousand Euros	Dec 2021			
	Portugal	Spain	Brazil	Group
Current service cost (see note 10)	4,482	1,995	390	6,867
Past service cost (Curtailment/Plan amendments) (see note 10)	200	8,269	-	8,469
Operational component	4,682	10,264	390	15,336
Net interest on the net medical liabilities and other benefits (see note 13)	2,298	3,429	7,563	13,290
Financial component	2,298	3,429	7,563	13,290
	6,980	13,693	7,953	28,626

In accordance with accounting policies - note 2 m), the EDP Group opted, upon transition to IFRS, to charge to reserves, the total amount of the deferred actuarial losses existing at that date, for the several employee benefits plans. The impact in reserves at 31 December 2004 amounted to 1,162,000 thousand Euros. In the following periods, actuarial gains and losses were recognised directly in reserves. As at 31 December 2022 gains of 285,544 thousand Euros (31 December 2021: gains of 53,042 thousand Euros).

The weighted average duration of the defined benefit liabilities in Portugal is 10 years.

Assumptions used to determine EDP Group liabilities related to employee benefits

The following financial and actuarial assumptions used in the calculation of the liability for employees defined benefit plans, were updated considering the evolutions occurred in the financial markets during 2022 and 2021:

Assumptions	Dec 2022			Dec 2021		
	Portugal	Spain	Brazil	Portugal	Spain	Brazil
Discount rate	3.84% – 3.89%	3.30%	9.86% – 9.95%	0.70% – 0.90%	0.82%	7.57% – 8.77%
Salary increase rate	5.35% (b)	2.00%	4.30%	2.30% (f)	not applicable	4.05%
Pension increase rate	4.30% (c)	not applicable	3.50%	1.00% (g)	not applicable	3.25%
Social Security salary appreciation	4.30% (c)	not applicable	not applicable	1.70%	not applicable	not applicable
Inflation rate	2.30%	2.00%	3.50%	1.70%	0.57%	3.25%
Annual increase rate of medical service costs	2.30%	2.00%	9.71% (d)	1.70%	1.56%	9.45% (h)
Estimated administrative expenses per beneficiary per year (Euros)	313€/year (e)	not applicable	not applicable	282 €/year (i)	not applicable	not applicable
Mortality table	TV99/01 (all population)	PERM/F-2000P	AT-2000 / RP-2000 Geracional	TV99/01 (all population)	PERM/F-2000P	AT-2000 / RP-2000 Geracional
Disability table	50%EKV 80	not applicable	TASA 1927 / Wyatt1985 Class 1	50%EKV 80	not applicable	Muller / TASA 1927
Expected % of eligible employees accepting early retirement (a)	35%	not applicable	not applicable	35%	not applicable	not applicable

(a) Employees entitled to early retirement, as stated in the Collective Labour Agreement: 37 years of service with at least 61 years of age or 40 years of service at any age;

(b) 5.35% for 2023 and 2.55% for the remaining years;

(c) 4.30% for 2023 and 2.30% for the remaining years;

(d) 9.71% in the first year, decreasing linearly to 5.57% in 2031;

(e) Increase according to the annual increase rate of medical service costs after 2023;

(f) 2.30% for 2022 and 1.95% for the remaining years;

(g) 1.00% for 2022 and 1.70% for the remaining years;

(h) 9.45% in the first year, decreasing linearly to 5.32% in 2030;

(i) Increase of 0.34% for 2023 and increase according to inflation after that date.

The discount rates used for the EDP Group pension plan were selected based on an analysis of the rates of return available on the date for the high quality corporate bonds. Bonds with maturities and ratings considered appropriate were selected considering the amount and the periods that the benefits are expected to be paid.

As at 31 December 2022 the amount of future benefits expected to be paid, related to the activity in Portugal, Spain and Brazil, is as follows:

Thousand Euros Years	Pensions				Medical and Other Benefits			
	Portugal	Spain	Brazil	Total	Portugal	Spain	Brazil	Total
2023	144,614	1,233	19,178	165,025	34,904	21,242	7,633	63,779
2024	119,813	311	19,737	139,861	34,213	31,385	7,987	73,585
2025	100,249	222	20,350	120,821	34,390	11,762	8,394	54,546
2026	84,874	145	20,916	105,935	34,625	9,640	8,784	53,049
2027 and Following	347,283	167	137,723	485,173	208,444	130,821	60,712	399,977

In 2022, the benefits paid by the funds in Portugal amounted 76,654 thousand Euros (31 December 2021: 77,590 thousand Euros) and in Brazil amounted to 18,931 thousand Euros (31 December 2021: 13,850 thousand Euros). The contributions made to the Pension funds in Brazil amounted to 6,188 thousand Euros (31 December 2021: 1,640 thousand Euros), which were fully paid in cash.

Following the decision and implementation of the autonomisation of the Medical Plan and Death Subsidy Plan in Portugal, EDP Group has made contributions of 34,560 thousand Euros in 2022 (31 December 2021: 11,520 thousand Euros). In the following years, until the end of 2027 and in the scenario where the liabilities associated with the mentioned plans are not 100% financed, the Group estimates to make additional contributions in the approximate total amount of 104 million Euros, in line with the financing plan approved by Insurance and Pension Funds Supervisory Authority (ASF) (see note 44).

The Pension Plans in Portugal, Spain and Brazil are subject to several risks, in which are included the risk of changes in market rates (which impacts the discount rate and the fixed rate of return rate on assets), the risk of changes on the expected lifetime of plan participants, the risk of changes on the pension increase rate and the risk of changes on the social security pension increase, to which are made the following sensitivity analysis for the liabilities at the end of the period:

Thousand Euros	Portugal		Spain		Brazil	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	-29,617	31,790	-108	103	-10,168	11,032
Mortality (increase of 1 year in expected lifetime of plan participants)	32,265		-		3,820	

The solvency level of the fund for the financing of pension plan liabilities in Portugal may vary not only from the risks described above, but also from the performance of the different classes of assets that comprise it. Considering the nature of the defined benefit of the plan and despite the fund's low risk profile (mostly composed of fixed income assets), the joint materialization of adverse risks (including those above referred) may lead to the need for additional contributions to the fund.

The medical care and other benefits Plans in Portugal, Spain and Brazil are subject to several risks, in which are included the risk of changes in market rates (which impacts the discount rate and the fixed rate of return rate on assets), the risk of changes in the health care costs and the risk of changes on the expected lifetime of plan participants, to which are made the following sensitivity analysis for the liabilities at the end of the period:

Thousand Euros	Portugal		Spain		Brazil	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Health care cost trend (0.5% movement)	-14,989	-11,080	-	-	-	-
Mortality (increase of 1 year in expected lifetime of plan participants)	11,678		-		7,716	

The level of solvency of the fund for the financing of post-employment medical care liabilities in Portugal may vary not only from the risks described above, but also from the performance of the different classes of assets that comprise it. Considering the nature of the defined benefit of the plan and despite the fund's low risk profile (mostly composed of fixed income assets), the joint materialization of adverse risks (including those above referred) may lead to changes in the financing plan approved by ASF.

Composition of the assets portfolio funds

The assets of the pension funds, medical care and death subsidy in Portugal are as follows:

Thousand Euros	Fund assets by nature					
	Liquidity	Bonds	Shares	Property	Other	Total
31 December 2022	13,897	436,910	434,470	200,977	76,523	1,162,777
31 December 2021	15,571	481,123	542,016	198,724	71,473	1,308,907

%	Fund assets by nature					
	Liquidity	Bonds	Shares	Property	Other	Total
31 December 2022	1.20%	37.58%	37.36%	17.28%	6.58%	100.00%
31 December 2021	1.19%	36.76%	41.41%	15.18%	5.46%	100.00%

The portfolio of shares and bonds have a quoted market price in an active market.

Properties included in the fund, that are being used by the Group amount to 178,866 thousand Euros as at 31 December 2022 (31 December 2021: 180,950 thousand Euros). Bonds includes 3,534 thousand Euros (31 December 2021: 4,919 thousand Euros) relating to bonds issued by EDP Finance B.V. and EDP, S.A.

The real return rate on assets of the pension Fund in 2022 was negative in 7.84% (2021: positive in 9.40%).

The assets of the pension fund in Brazil are as follows:

Thousand Euros	Fund assets by nature					Total
	Liquidity	Bonds	Shares	Property	Other	
31 December 2022	-	225,706	10,098	394	999	237,197
31 December 2021	-	180,448	10,277	672	5,956	197,353

%	Fund assets by nature					Total
	Liquidity	Bonds	Shares	Property	Other	
31 December 2022	-	95.16%	4.25%	0.18%	0.41%	100.00%
31 December 2021	-	91.43%	5.21%	0.34%	3.02%	100.00%

The portfolio of shares and bonds have a quoted market price in an active market.

The number of participants covered by the pension plans and similar obligations is as follows:

	2022			2021		
	Portugal	Spain	Brazil	Portugal	Spain	Brazil
Retirees and pensioners	17,379	660	1,509	18,022	809	1,484
Active workers	2,080	51	413	2,260	75	432
	19,459	711	1,922	20,282	884	1,916

The liability for retirement pensions and related coverage for the Group is as follows:

Thousand Euros	Dec 2022			
	Portugal	Spain	Brazil	Group
Liability at the end of the period	933,961	2,198	232,048	1,168,207
Plan assets at the end of the period	-716,587	-	-237,197	-953,784
Surplus pension funding (see note 27)	89,349	-	-	89,349
Asset ceiling	-	-	42,425	42,425
Provision at the end of the period	306,723	2,198	37,276	346,197

Thousand Euros	Dec 2021			
	Portugal	Spain	Brazil	Group
Liability at the end of the period	1,266,282	3,814	207,893	1,477,989
Plan assets at the end of the period	-838,755	-	-197,353	-1,036,108
Surplus pension funding (see note 27)	13,267	-	-	13,267
Asset ceiling	-	-	31,753	31,753
Provision at the end of the period	440,794	3,814	42,293	486,901

The evolution of the present value of the plan liability and fair value of the plan assets of the related Funds is as follows:

Thousand Euros	2022	2021	2020	2019	2018
Liability at the end of the period	1,168,207	1,477,989	1,588,058	1,719,435	1,784,521
Plan assets at the end of the period	-953,784	-1,036,108	-1,016,216	-1,195,046	-1,136,581
Surplus pension funding	89,349	13,267	29,610	55,506	59,840
Asset ceiling	42,425	31,753	28,156	50,895	51,596
Provision at the end of the period	346,197	486,901	629,608	630,790	759,376

The experience adjustments (effects of the differences between the previous actuarial assumptions and what has really occurred) for the Pension Funds in Portugal and Brazil are as follows:

Thousand Euros	2022	2021	2020	2019	2018
Portugal					
Experience adjustments for the Plan liabilities	-22,796	55,794	61,193	-46,993	-91,575
Experience adjustments for the Plan assets	71,073	-79,211	-6,662	60,914	-37,567
Brazil					
Experience adjustments for the Plan liabilities	16,644	20,759	34,478	-4,974	-6,090
Experience adjustments for the Plan assets	-7,471	9,339	13,554	41,036	8,182

The past service liability of the pension plans for the Group is as follows:

Thousand Euros	Dec 2022			
	Portugal	Spain	Brazil	Group
Liability at the beginning of the period	1,266,282	3,814	207,893	1,477,989
Current service cost	3,870	181	-160	3,891
Net interest on the pensions plan liability	6,083	59	23,659	29,801
Benefits paid	-165,959	-2,716	-19,367	-188,042
Past service cost (Curtailment/Plan amendments) (see note 10)	2,243	-	-	2,243
Actuarial (gains)/losses	-178,507	860	-5,835	-183,482
Transfers, reclassifications and exchange differences	-51	-	25,858	25,807
Liability at the end of the period	933,961	2,198	232,048	1,168,207

Thousand Euros	Dec 2021			
	Portugal	Spain	Brazil	Group
Liability at the beginning of the period	1,353,388	23,945	210,725	1,588,058
Current service cost	5,569	-	-348	5,221
Net interest on the pensions plan liability	3,729	1	17,381	21,111
Benefits paid	-178,260	-71	-15,834	-194,165
Past service cost (Curtailment/Plan amendments)	6,844	-	-	6,844
Actuarial (gains)/losses	75,137	-12	-6,027	69,098
Transfers, reclassifications and exchange differences	-125	-20,049	1,996	-18,178
Liability at the end of the period	1,266,282	3,814	207,893	1,477,989

The evolution of the consolidated assets of the Pension Funds is as follows:

Thousand Euros	Dec 2022		
	Portugal	Brazil	Group
Assets value at the beginning of the period	838,755	197,353	1,036,108
Group contribution	-	6,188	6,188
Plan participants contributions	-	239	239
Benefits paid	-56,309	-18,931	-75,240
Interest on the pensions plan assets	5,214	19,455	24,669
Actuarial gains/(losses)	-71,073	6,611	-64,462
Transfers, reclassifications and exchange differences	-	26,282	26,282
Assets value at the end of the period	716,587	237,197	953,784

Thousand Euros	Dec 2021		
	Portugal	Brazil	Group
Assets value at the beginning of the period	814,128	202,088	1,016,216
Group contribution	-	1,640	1,640
Plan participants contributions	-	211	211
Benefits paid	-57,750	-13,850	-71,600
Interest on the pensions plan assets	3,166	14,645	17,811
Actuarial gains/(losses)	79,211	-9,339	69,872
Transfers, reclassifications and exchange differences	-	1,958	1,958
Assets value at the end of the period	838,755	197,353	1,036,108

The caption Asset ceiling refers to the unrecognised assets in the respective accounting periods. The reconciliation between the opening balance and the closing balance is as follows:

Thousand Euros	Group	
	Dec 2022	Dec 2021
Asset ceiling at the beginning of the period	31,753	28,156
Effect of changes in restricted net assets of benefits to the asset ceiling	4,328	1,234
Exchange differences	6,344	2,363
Asset ceiling at the end of the period	42,425	31,753

The number of participants covered by the medical and other benefits plans is as follows:

	2022			2021		
	Portugal	Spain	Brazil	Portugal	Spain	Brazil
Retirees and pensioners	17,379	2,887	2,755	17,563	3,015	2,819
Active workers	5,733	1,102	845	5,663	466	937
	23,112	3,989	3,600	23,226	3,481	3,756

The provision for medical liabilities and other benefits and related coverage for the Group is as follows:

Thousand Euros	Dec 2022			
	Portugal	Spain	Brazil	Group
Liability at the end of the period	597,628	169,226	100,861	867,715
Plan assets at the end of the period	-446,190	-	-	-446,190
Surplus pension funding	3,344	-	-	3,344
Provision at the end of the period	154,782	169,226	100,861	424,869

Thousand Euros	Dec 2021			
	Portugal	Spain	Brazil	Group
Liability at the end of the period	806,641	203,978	92,432	1,103,051
Plan assets at the end of the period	-470,152	-	-	-470,152
Provision at the end of the period	336,489	203,978	92,432	632,899

The evolution of the present value of the liability for Medical care and other benefits for the Group is as follows:

Thousand Euros	2022	2021	2020	2019	2018
Liability at the end of the period	867,715	1,103,051	1,149,769	1,107,444	923,880
Plan assets at the end of the period	-446,190	-470,152	-437,073	-426,565	-275,954
Surplus pension funding	3,344	-	-	-	-
Provision at the end of the period	424,869	632,899	712,696	680,879	647,926

The experience adjustments (effects of the differences between the previous actuarial assumptions and what really occurred) for the medical and other benefits Liabilities in Portugal and Brazil and for the Plan Assets in Portugal are as follows:

Thousand Euros	2022	2021	2020	2019	2018
Portugal					
Experience adjustments for the Plan liabilities	3,622	-5,051	11,979	3,214	-1,265
Experience adjustments for the Plan assets	42,195	-38,649	-4,723	22,187	-11,869
Brazil					
Experience adjustments for the Medical Plan liabilities	3,637	32	-20,086	-1,937	37,773

The past service liability of medical and other benefits plans for the Group is as follows:

Thousand Euros	Dec 2022			
	Portugal	Spain	Brazil	Group
Liability at the beginning of the period	806,641	203,978	92,432	1,103,051
Current service cost	2,964	2,363	320	5,647
Net interest on the net medical liabilities and other benefits	6,766	2,985	9,252	19,003
Benefits paid	-31,954	-18,659	-8,327	-58,940
Past service cost (Curtailment/Plan amendments) (see note 10)	65	988	-	1,053
Actuarial (gains)/losses	-186,844	-22,212	-3,991	-213,047
Transfers, reclassifications and exchange differences	-10	-217	11,175	10,948
Liability at the end of the period	597,628	169,226	100,861	867,715

Thousand Euros	Dec 2021			
	Portugal	Spain	Brazil	Group
Liability at the beginning of the period	833,506	212,451	103,812	1,149,769
Current service cost	4,482	1,995	390	6,867
Net interest on the net medical liabilities and other benefits	5,047	3,429	7,563	16,039
Benefits paid	-32,989	-45,974	-6,497	-85,460
Past service cost (Curtailment/Plan amendments) (see note 10)	200	8,269	-	8,469
Actuarial (gains)/losses	-3,605	606	-11,854	-14,853
Transfers, reclassifications and exchange differences	-	23,202	-982	22,220
Liability at the end of the period	806,641	203,978	92,432	1,103,051

The evolution of the consolidated assets of the Medical care and Other subsidiaries in Portugal is as follows:

Thousand Euros	Dec 2022	Dec 2021
Assets value at the beginning of the period	470,152	437,073
Group contribution	34,560	11,520
Benefits paid	-20,345	-19,839
Interest on the pensions plan assets	4,018	2,749
Actuarial gains/(losses)	-42,195	38,649
Assets value at the end of the period	446,190	470,152

36. Provisions

Provisions are as follows:

Thousand Euros	Non-Current		Current	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Provision for legal and labour matters and other contingencies	123,230	98,351	2,510	3,067
Provision for customer guarantees under current operation	-	-	2,092	57,233
Provision for dismantling and decommissioning	498,694	560,007	8,500	8,615
Provision for other liabilities and charges	300,135	318,230	38,183	41,404
	922,059	976,588	51,285	110,319

With reference to 31 December 2022, the movement by nature of the Provisions item at the EDP Group level is presented as follows:

Thousand Euros	Legal, labour and other matters	Guarantees customers in the context of current activity	Dismantling Decommissioning	Other risks and charges	Total
Balance as at 1 January 2021	100,316	21,691	566,170	566,082	1,254,259
Perimeter variations	-1,647	-	-18,748	-651	-21,046
Charge for the period	14,758	-	-	58,871	73,629
Reversals	-9,430	-	-	-3,689	-13,119
Charge-off for the period	-14,293	-	-20,023	-46,464	-80,780
Unwinding	13,749	-	3,753	1,771	19,273
Increase of the responsibility	-	-	29,525	-	29,525
Onerous contracts	-	35,542	-	-	35,542
Innovative Features Charge-off	-	-	-	-69,374	-69,374
Overcompensation revisability CMEC	-	-	-	-72,900	-72,900
CMEC	-	-	-	15,014	15,014
"Lesividad"	-	-	-	-47,233	-47,233
Ancillary services charge-off	-	-	-	-48,000	-48,000
Exchange differences and other	-1,061	-	14,921	6,262	20,122
Reclassification to Liabilities Held for Sale	-974	-	-6,976	-55	-8,005
Balance as at 31 December 2021	101,418	57,233	568,622	359,634	1,086,907
Perimeter variations (see note 6)	-154	-	13,581	1,859	15,286
Charge for the period	18,993	1,247	-	23,672	43,912
Reversals	-12,919	-3	-	-16,451	-29,373
Charge-off for the period	-14,576	-309	-11,132	-14,262	-40,279
Unwinding (see note 13)	16,455	-	6,609	1,581	24,645
Increase of the responsibility (see note 16)	-	-	9,841	-	9,841
Assumptions update (see note 16)	-	-	-94,026	-	-94,026
Onerous contracts	-	-56,147	-	-	-56,147
Innovative Features Charge-off (see note 4)	-	-	-	-12,205	-12,205
"Lesividad" Charge-off	-	-	-	-45,695	-45,695
CMEC	-	-	-	14,823	14,823
Exchange differences and other	16,523	71	13,699	25,362	55,655
Balance as at 31 December 2022	125,740	2,092	507,194	338,318	973,344

EDP and its subsidiaries' Board of Directors, based on the information provided by its legal advisors and on the analysis of pending lawsuits, have recognised provisions to cover the losses estimated as probable, related with litigations in progress.

Provision for legal and labour matters and other contingencies includes provisions for litigation in progress and other labour contingencies, which are related essentially with:

- i) Requests for the refund of tariff increases paid by industrial consumers of the brazilian subsidiaries EDP São Paulo and EDP Espírito Santo in the amount of 17,181 thousand Euros (31 December 2021: 12,324 thousand Euros). These requests result from the application of Administrative Orders DNAEE no. 38 of 27 February 1986 and no. 45 of 4 March 1986 - Plano Cruzado, effective from March to November 1986;
- ii) The remaining legal litigations correspond mainly to indemnities for damages allegedly suffered in consequence of interruption of electricity supply, power accidents and fires.

Provisions for customer guarantees under current operations include essentially provisions for commercial losses.

Provisions for dismantling and decommissioning includes: (i) 42,525 thousand Euros of the dismantling Trillo nuclear power plant; (ii) 264,762 thousand Euros of the dismantling of wind and solar farms (replacement of sites and land in its original state), mainly, in Europe (110,441 thousand Euros), North America (140,723 thousand Euros), Asia-Pacific (10,913 thousand Euros) and Brazil (2,679 thousand Euros); and (iii) 197,876 thousand Euros of the dismantling and environmental requalification of thermal electro-producing centers in Spain (132,445 thousand Euros) and Portugal (65,431 thousand Euros).

These provisions were calculated based on the present value of future liabilities and recorded against an increase in the respective tangible fixed assets, which are amortized over the average useful life of these assets. The calculation of these provisions was based on the following discount and inflation rates:

	Europe	North America	Brazil	Asia-Pacific
Discount Rate	[2.24% - 8.75%]	[4.02% - 4.42%]	[12.40% - 12.50%]	[3.50% - 7.67%]
Inflation Rate	[1.90% - 3.88%]	[2.07% - 3.51%]	[3.45% - 3.59%]	[1.40% - 3.90%]

Provision for other liabilities and charges

The BOE 223/2017 published during the third quarter of 2017 opened the hearing process of the Order of the Minister of Energy, Tourism and Digital Agenda of 13 September, introducing "lesividad" declaration procedure for the public interest Order IET/980/2016, of 10 June, which established the remuneration of electricity distribution companies until 2016. Thus, the remuneration that has been determined has allegedly been higher than that due for the year 2016. Until the "lesividad" procedure is finitely resolved, the remuneration of the distribution activity for the years 2016, 2017, 2018 and 2019 is considered provisional. With reference to 31 December 2020, EDP España recorded an accumulated provision of 93,105 thousand Euros corresponding to the potential effect of "lesividad" for the financial years 2016, 2017, 2018, 2019 and 2020. Since 2016, EDP España, like other companies in the sector, have been in place with legal proceedings to resolve the "lesividad" procedure. At the same time, companies initiated processes to determine the real value of assets subject to remuneration and proceeded with the reformulation and deposit of their annual accounts from 2014 to 2020, ending this process during 2021.

Although no new liquidation or a new regulation has been issued, the companies consider that, in accordance with the order 481/2020 of the Supreme Court, the reformulated and deposited annual accounts must be considered for the calculation of the remuneration. Thus, in 2021, EDP España updated the provision for the "lesividad" procedure for the years 2016 to 2020, reversing it by approximately 47 million Euros.

On 1 June 2022, order TED/490/2022, of 31 May, was published in BOE 130/2022, which executes the judgment of the Federal Supreme Court in relation to the declaration of "lesividad" to the public interest of the Order IET/980/2016, of 10 June.

The remuneration approved by the Ministry of Ecological Transition and the Demographic Challenge in the referred Order did not take into account the accounts reformulated by the distribution companies, resulting in a notable decrease in their remuneration compared to the expected and accounted values corresponding to a correct execution of the sentence.

Subsequently, the "Comisión Nacional de los Mercados y la Competencia" (CNMC) settled the payment obligations arising from the "lesividad" referring to the years 2016, 2017, 2018, 2019, 2020 and 2022 in the Provisional Agreement 5/2022 (partially corresponding to the year 2022) approved by the CNMC on 14 July 2022 and those corresponding to the 2021 financial year in the "2021 Definitive Settlement of regulated activities in the electricity sector", approved by the CNMC on 4 November 2022. The distribution companies of the EDP Group filed lawsuits against order TED/490/2022 and against the Final Settlement of 2021, in order to obtain the collection of amounts due from a correct execution of the judgment.

Before the publication of order TED/490/2022, the provisions corresponding to the expected impact of the execution of the sentence amounted to approximately 47 million Euros. After its publication, the existing provisions were used for this purpose, with the Group recording a receivable in assets, awaiting the decision of the respective lawsuits filed against order TED/490/2022, corresponding to approximately 63 million Euros for the period from 2016 to 2021, and an amount of around 9 million Euros for the period of 2022.

On 3 May 2018, it has come to EDP's knowledge (through a DGEG's letter) that the CMEC final adjustment had been officially approved, according to ERSE's proposal, in the amount of 154 million Euros. EDP reflected this reality in its financial statements as of 31 December 2018, recognising a provision by the difference in the final adjustment amounts already recognised in the Group's revenues. On 31 December 2022 EDP maintains the provision in its accounts (see note 4).

On 26 September 2018, DGEG notified EDP about a dispatch issued by the Secretary of State for Energy (SSE) on 29 August 2018, which quantifies at 285 million Euros the alleged overcompensation of EDP related to the calculation of the real availability factor of the plants under the CMEC regime. EDP reflected this in the financial statements as at 31 December 2018, through a provision of the same amount. During 2022, EDP made payments of 12,205 thousand Euros, the amount that was still registered, settling the provision as at 31 December 2022 (see note 4).

In their ordinary course of business, EDP Group subsidiaries are involved in several litigations and contingencies (of possible risk) of administrative, civil, tax, labour and other natures. These legal, arbitration or other actions, involve customers, suppliers, employees and administrative authorities. In EDP Group and its legal advisors' opinion, the risk of a loss in these actions is not probable, and the outcome will not affect on a material way its consolidated financial position.

The processes whose losses were considered as possible, do not require the recognition of provisions and are periodically reassessed. The detail of possible contingencies is analysed as follows:

Thousand Euros	Group		Company	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Administrative and Civil	325,437	255,406	336	330
Fiscal	773,643	656,768	13,321	9,541
Other	125,107	114,305	2,791	2,811
	1,224,187	1,026,479	16,448	12,682

The events and possible contingencies more relevant in Portugal, are as follows:

i) On 29 July 2016, the Portuguese Competition Authority (AdC) has notified EDP S.A. and EDP Comercial, S.A. with a notice for alleged violation of competition laws, regarding the process of the commercial campaign done in partnership with Modelo Continente, designated as "Plano EDP Continente". This was an occasional campaign, limited to two years, which was one of several campaigns usually performed by several other market agents. On 5 May 2017, EDP S.A. and EDP Comercial, S.A. received AdC final decision which applied a fee of 2,900 thousand Euros to EDP S.A. and 25,800 thousand Euros to EDP Comercial. EDP Group is convinced that this campaign has brought real benefits to consumers and competition in markets and that no transgression has been committed. The companies filed their appeal on 19 June 2017 to TCRS. By this court was determined a court hearing that EDP and EDP Comercial would provide security in the amount of 50% of the fine imposed on them by the AdC, and on 19 June 2020, EDP and EDP Comercial provided surety bond and surety in the amounts of 1,450 thousand Euros and 12,900 thousand Euros, respectively. On 30 September 2020, a judgment was issued by the TCRS, which maintained the conviction of the two companies of the EDP Group, as well as Sonae Group's Companies, having also reduced fines by 10%. Fines were determined at 2,610 thousand Euros and 23,220 thousand Euros for EDP and EDP Comercial, respectively. On 30 October 2020, EDP and EDP Comercial appealed the condemnatory sentence handed down by the TCRS, to the Lisbon Court of Appeal.

On 6 April 2021, the parties were notified of the judgment handed down by the Court of Appeal of Lisbon, through which it decreed the suspension of the proceedings and the preliminary referral of the case to the Court of Justice of the European Union, under the foreseen mechanism Article 267(b) of the Treaty on the Functioning of the European Union. The case was filed at the Registry of the Court of Justice on 26 May 2021, with written observations having been submitted by the parties on the questions referred by the Lisbon Court of Appeal. The oral trial hearing at the Court of Justice of the European Union took place on 9 November 2022, pending the presentation of conclusions by the Advocate General, which will be followed by the delivery of judgment;

ii) On 3 September 2018, the Portuguese Competition Authority (AdC) notified EDP Produção with a Statement of Objections, under which EDP Produção is accused of abuse of a dominant position in the secondary regulation band market (a part of the ancillary services market). AdC claims that EDP Produção has deliberately limited the participation of CMEC plants in the secondary regulation market between 2009 and 2014, benefitting its non-CMEC power plants. The alleged benefit, to the detriment of consumers, would be twofold: receiving higher compensation under CMEC annual adjustment regime; profiting from higher market prices in said market. AdC has estimated that the alleged practice of EDP Produção has generated damages to the national electricity system and to consumers of around 140 million Euros. AdC pointed out that the adoption of a Statement of Objections did not determine the result of the investigation, which began in September 2016 and is still in course. On 28 November 2018, EDP Produção presented to AdC its facts about the accusation. On 18 September 2019, AdC has notified EDP Produção of an alleged infraction to competition rules. This contingency was estimated with a value of 48 million Euros and its graduation was assessed as possible. On 30 October 2019, EDP Produção presented an appeal against this decision to the TCRS. On 20 May 2020, EDP Produção was notified of a decision by the TCRS, which, among other things, admitted its Judicial Challenge Appeal, establishing a purely return effect and determining the payment of the fine imposed within 20 days. In this regard, EDP Produção submitted requests, invoking supervening facts for the demonstration of considerable damage, and arguing defects in the decision that determined the attribution of a mere devolution effect to the Judicial Challenge Appeal. On 16 July 2020, EDP was notified of an order which implied the existence of substantial losses if the fine was paid in advance. Thus, the payment order was therefore suspended.

However, on 12 October 2020, EDP Produção was notified of the appeal filed by the Public Prosecutor's Office, at the Lisbon Court of Appeal, against the TCRS order of 16 July 2020, and considered the existence of considerable damage in the early payment of the fine and suspended the payment order. On 18 November 2020, EDP Produção was notified of a decision by the Lisbon Court of Appeal, granting the appeal presented by the Public Prosecutor and, consequently, revoking the order of TCRS of 16 July 2020. EDP Produção appealed this judgment to the Constitutional Court on 30 November 2020. On 22 February 2021, EDP Produção was notified of the decision of the Constitutional Court in the sense of not knowing the object of the appeal. The case was returned to the TCRS to establish the effect of the appeal filed, to determine whether EDP Produção must pay a fine or provide a guarantee. By order of the same day, the TCRS has scheduled the trial hearing for 27 September, 7, 11 and 25 October, 4, 8, 18, 22 November and 2 and 6 December 2021. On 16 September 2021, the TCRS issued an order that demanded the payment of the fine. Despite having lodged an appeal against this order, on 20 October 2021 EDP Produção paid the amount under appeal, and is waiting for a decision on the appeals submitted. The trial hearing, which began in October 2021, continued with several inquiries until the end of March 2022, with closing arguments taking place on 6 July 2022. On 10 August 2022, the TCRS delivered a judgement, through which it confirmed the conviction of EDP Produção and the imposition of a fine of 48 million Euros, which had already been paid. On 30 September 2022, EDP Produção filed an appeal against the aforementioned decision to the Lisbon Court of Appeal. This was followed by the filing of counter-claims by the AdC and the Public Prosecutor's Office, pending further developments.

iii) On 19 July 2021, Celulose Beira Industrial, SA (CELBI), submitted to SU Eletricidade, SA a constitutional request of an Arbitral Tribunal, regarding a conviction of a payment of the energy produced by it under special production in cogeneration, and its interest, since April 2020 (date on which, in accordance with the law and the understanding of DGEG and followed by SU Eletricidade, CELBI has moved to the transitional remuneration scheme provided for in DL No. 23/2010 and Ordinance No. 140/2012), and throughout the term of operation of its Cogeneration Center (which it estimates to be at least 25 years), i.e. at least until 24 March 2035 (supporting this understanding in the fact that the 2002 Remuneration Scheme does not establish any period); or, in the alternative, until 24 March 2030 (claiming that you are entitled to be remunerated under the 2002 Remuneration Scheme for a further 120 months (10 years) from March 2020); or, in the alternative, until November 2020 (claiming that the transition to the 2012 Remuneration Scheme should only take place six months after the effective knowledge of the communication sent by the SRB); or, in the alternative, until August 2020 (in the alternative claiming that the transition from CELBI's remuneration scheme would operate from the beginning of the month following the date of the audit report certifying primary energy savings, which means the transition would operate from August 2020 because the audit report is from July 2020). The overall value of the application amounts to 6,839 thousand Euros and has been classified as possible risk. In October 2021, SU Eletricidade filed a challenge. In February 2022, Procedural Decision no. 1 was delivered, under which the Arbitration Court considered itself competent to adjudicate the dispute between the parties, which was challenged by SU Eletricidade through annulment action filed in March 2022, which is pending at the Central Administrative Court, the pleadings phase has elapsed. In April 2022, the preparatory hearing was held, which was intended in particular to discuss previous questions raised as well as to the fixing of the list of the facts not at issue and the themes of the evidence. In June 2022, the parties filed a joint application alleging supervening facts. The trial hearing took place on 13, 14 and 15 September 2022 and, on 5 of December 2022, the parties presented their final written allegations. On 30 January 2023, the parties were notified of the arbitration judgment, which partially upheld one of the requests made by CELBI (corresponding to 11.75% of them), and SU Eletricidade is currently assessing and considering the respective terms and the possible effects.

The possible contingencies more relevant in Brazil, are as follows:

- i) Investco is involved in a legal action of a civil nature mostly related with indemnity claims resulting from the filling of the hydroelectric reservoir, in the amount of 23,365 thousand Euros (31 December 2021: 17,297 thousand Euros);
- ii) There is a public civil action filed against EDP São Paulo and EDP Espírito Santo by ADIC – Associação de Defesa dos Interesses Coletivos, claiming a compensation arising from a tariff readjustment on part A from 43 concessionaires. The estimated value attributable to EDP São Paulo and EDP Espírito Santo amounts to 74,402 thousand Euros (31 December 2021: 55,031 thousand Euros);
- iii) EDP São Paulo is a party to a lawsuit related to the COFINS (Contribution for social security financing) from 1993 to 1995 in joinder with AES Eletropaulo, where is discussed the application of the tax amnesty introduced by the Provisional Measures paragraphs 1858-6 and 1858-8, granted to taxpayers who did not collect COFINS, considering it improper. In the trial of 2nd Instance, was partially confirmed the right to amnesty, and applied the Decree-Law 1,025/69, which established the payment of procedural costs in favour of the National Treasury. From this decision, an appeal was presented, which holds trial. The updated amount as at 31 December 2022 is 14,058 thousand Euros (31 December 2021: 12,267 thousand Euros);
- iv) EDP São Paulo and EDP Espírito Santo have administrative and judicial actions regarding tax compensations not ratified by the Brazilian Federal Revenue Bureau, which: (i) are protected by judicially recognised credits (IRPJ – Corporate tax income and CSLL – Social Contribution on net profits) and (ii) that result from tax contributions in 2001 of IRPJ, CSLL, PIS (Social integration programme) and COFINS considered to be excessive as a consequence of the application of "Parecer COSIT 26/2002" (Extraordinary Tariff Adjustment – RTE) published by the Brazilian Tax Authorities. According to this opinion, the amounts resulting from tariffs updated under RTE should be recognised and taxed only as of 2002. During 2021 there was a reduction in the amount due to the success obtained in one of the administrative proceedings, cancelling the debt collection. As at 31 December 2022, the updated values amount to 19,736 thousand Euros (31 December 2021: 17,007 thousand Euros);

v) Lajeado has a judicial tax action initiated by the Brazilian Tax Authorities in 2014 aimed at collecting tax contributions (IRPJ and CSLL) resulting from the disallowance of expenses regarding goodwill arising from a business combination (acquisition). As at 31 December 2022, this contingency amounts to 27,388 thousand Euros (31 December 2021: 23,030 thousand Euros);

vi) Porto do Pecém was the subject of tax execution procedure in the amount of 17,673 thousand Euros, resulting from alleged non-taxation under IRPJ and CSLL of financial income and exchange variations related to previous periods (31 December 2021: 14,850 thousand Euros); and

vii) Following a period of drought in the State of Ceará, the local government, through Decree 32,044 of 16 September 2016, introduced an extraordinary rate called the Emergency Water Charge (EHE) over the actual water consumption of thermoelectric power plants, and in particular the Porto do Pecém. On 13 October 2016, the Porto do Pecém submitted an administrative request to ANEEL for the purpose of transferring this additional cost to the Unit Variable Cost (CVU), in order to restore the economic-financial balance of the contract (CCEAR). ANEEL, through Order 3,293 of 16 December 2016, denied the request of the Porto do Pecém, which initiated proceedings against ANEEL. As at 31 December 2022, the lawsuit is estimated in an amount of 31,214 thousand Euros (31 December 2021: 23,087 thousand euros). During 2020 there was a revision of assumptions used to calculate the contingency which previously was considering the estimative of the value of EHE to be paid following the historical average. The new calculation is based on the claim effective risk considering the transference of CVU.

Finally, even if EDP Group classifies its risk as remote, it is important to identify the following litigation:

i) On 27 October 2009 and 5 January 2010, the EDP Group received two tax settlements regarding 2005 and 2006 taxable income for the EDP tax Group, which included an adjustment of 591 million Euros regarding its subsidiary, EDP Internacional SGPS, related to the tax treatment considered by the EDP Group in relation to a capital loss generated with the liquidation of a subsidiary, whose main assets consisted of investments in operating subsidiaries in Brazil, namely EDP Espírito Santo and Enersul. As at 31 December 2022, the amount of this tax contingency amounts to 315 million Euros (31 December 2021: 307 million Euros).

Considering the analysis made, the technical advice received and a favourable binding opinion obtained from the tax authorities in relation to the nature of the transaction occurred in the year of the assessment, the EDP Group considers as remote the risk associated with this matter. Under this analysis, the capital loss is tax deductible for income tax purposes as established in article 75 no. 2 of the Corporate Income Tax Code ("Código do IRC") based on the wording of the law in force at that date (existing article 81).

Given the above, and considering that the EDP Group's tax procedures comply with applicable Portuguese tax legislation at the date of the events, the Group is currently using all available legal means to contest these additional settlements. Thus, following the implied rejection of the hierarchical appeal, EDP presented a judicial claim, on 6 June 2012. In November 2018, EDP Group was notified with a decision in favour. The Treasury filed an appeal on that decision.

37. Institutional partnerships in North America

The caption Institutional partnerships in North America is as follows:

Thousand Euros	Group	
	Dec 2022	Dec 2021
Deferred income related to benefits provided	798,363	731,573
Liabilities arising from institutional partnerships	1,413,799	1,528,168
	2,212,162	2,259,741

Subsidiaries in North America recognises under this caption the receipts of institutional investors associated with wind and solar projects. This liability is reduced by the amount of tax benefits provided and payments made to the institutional investors during the period. The amount of tax benefits provided is booked as a non-current deferred income, and recognised over a five year period (see note 8). Additionally, this liability is increased by the estimated interest based on the liability outstanding and the expected rate of return of the institutional investors (see note 13).

The movements in Institutional partnerships in North America are as follows:

Thousand Euros	Group	
	Dec 2022	Dec 2021
Balance at the beginning of the period	2,259,741	1,933,542
Proceeds received from institutional investors	53,714	779,825
Cash paid for deferred transaction costs	-2,172	-4,131
Cash paid to institutional investors	-128,927	-83,530
Other Income (see note 8)	-233,505	-177,205
Unwinding (see note 13)	96,955	79,023
Perimeter variations (see note 6)	24,892	-
Loss of control of companies with Institutional Partnerships	-	-420,522
Exchange differences	144,123	168,318
Other	-2,659	-15,579
Balance at the end of the period	2,212,162	2,259,741

During 2022, EDPR NA, has secured and received proceeds amounting to 53,714 thousand Euros related to institutional equity financing in exchange for an interest in onshore wind projects.

Under these partnerships, EDP Group provides operating guarantees to institutional investors in wind and solar projects, which are typical of this type of structure. As at 31 December 2022, the liabilities associated with these guarantees are not expected to exceed the amounts already recognized under the caption Liabilities arising from institutional partnerships.

38. Trade payables and other liabilities from commercial activities

At Group level, Trade payables and other liabilities from commercial activities are as follows:

Thousand Euros	Non-Current		Current	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Contract liabilities:				
Energy sales contracts - North America	4,238	4,959	-	-
Deferred income - CMEC	24,950	80,566	55,616	61,915
Amounts received from the Fund for systemic sustainability of the energy sector	-	-	630,053	125,777
	29,188	85,525	685,669	187,692
Other liabilities:				
Investment government grants	327,118	321,870	-	-
Customer contract obligations	443,517	457,414	-	-
Amounts payable for tariff adjustments - Electricity - Portugal	-	115,941	958,357	1,071,548
Amounts payable for tariff adjustments - Electricity - Brazil	20,767	237,135	184,381	99,365
Amounts payable - securitisations	-	-	89,027	121,050
Amounts payable - CMEC	-	-	228,247	215,973
Amounts payable for concessions	211,056	201,820	-	-
Property, plant and equipment suppliers	202,861	189,124	2,549,047	1,481,620
Suppliers	-	-	1,256,420	1,006,643
Accrued costs related with commercial activities	-	-	984,040	1,386,103
Holiday pay, bonus and other charges with employees	-	-	225,599	173,039
CO2 emission Licenses	-	-	707,920	300,541
Other creditors and sundry operations	177,947	198,096	536,263	276,437
	1,383,266	1,721,400	7,719,301	6,132,319
	1,412,454	1,806,925	8,404,970	6,320,011

At Company level, Trade payables and other liabilities from commercial activities are as follows:

Thousand Euros	Current	
	Dec 2022	Dec 2021
Other liabilities:		
Suppliers	1,291,273	1,161,903
Accrued costs related with commercial activities	503,498	990,091
Property, plant and equipment suppliers	2,701	506
Holiday pay, bonus and other charges with employees	39,298	34,145
Other creditors and sundry operations	233,728	6,017
	2,070,498	2,192,662

At the moment of EDPR NA acquisition, the contracts signed between this subsidiary and its customers, determined under the terms of the Purchase Price Allocation, were valued through discounted cash flow models and market assumptions at 190,400 thousand US Dollars, being booked as a non-current liability under Energy sales contract - North America, and amortised over the useful life of the contracts in Other operating income - Other.

The caption Deferred income - CMEC is detailed as follows:

Thousand Euros	Non-current	Current
Initial CMEC	-22,887	27,419
Final adjustment	47,837	28,197
	<u>24,950</u>	<u>55,616</u>

The Amounts received from the Fund for Systemic Sustainability of the Energy Sector refer to amounts transferred to SU Eletricidade, S.A. related mainly to amounts from the Environmental Fund and to CESE amounts and are intended to reduce 2023 networks access tariffs.

Investment government grants are amortised through the recognition of a revenue in the income statement over the useful life of the related assets, which amounts to 28,579 thousand Euros as at 31 December 2022 (see note 12).

The movement for the period in Amounts payable for tariff adjustments - Electricity - Portugal (Non-current and Current) is as follows:

Thousand Euros	Non-Current	Current
Balance at the beginning of the period	115,941	1,071,548
Payment through the electricity tariff	-	-1,071,517
Tariff adjustment of the period (see note 7)	524,724	-
Interest expense (see note 13)	1,319	3,165
Transfer to/from tariff adjustment payable (see note 26)	502,119	-188,942
Transfer from Non-Current to Current	-1,144,103	1,144,103
Balance at the end of the period	-	958,357

The captions Amounts payable and Amounts Receivable for tariff adjustments - Electricity - Brazil, refer to tariff adjustments recognised in EDP São Paulo - Distribuição de Energia S.A. and EDP Espírito Santo - Distribuição de Energia S.A.

Thousand Euros	Non-current		Current	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Amounts payable for tariff adjustments - Electricity - Brazil	20,767	237,135	184,381	99,365
Amounts receivable from tariff adjustments - Electricity - Brazil (see note 26)	-12,883	-124,604	-14,310	-101,928
	<u>7,884</u>	<u>112,531</u>	<u>170,071</u>	<u>-2,563</u>

The movement for the period in Amounts payable and Amounts Receivable for tariff adjustments - Electricity - Brazil (Non-current and Current) is as follows:

Thousand Euros	Dec 2022
Balance at the beginning of the period	109,968
Tariff adjustment of the period (see note 7)	112,420
Payment/Receipt through the electricity tariff	-54,940
Interest expense/income (see note 13)	-585
Effect of exchange differences of the Brazilian Real against the Euro	11,092
Balance at the end of the period	177,955

The movement includes the recognition of 97,327 thousand Euros (548,788 thousand Brazilian Real) of the refund and a negative amount of 16,523 thousand Euros (93,169 thousand Brazilian Real) of unwinding over the amount resulting from the non-inclusion, in 2019, of the amounts of VAT borne in the basis of calculation of PIS and COFINS (1,756,597 thousand Brazilian Real as at 31 December 2019, of which 934,368 thousand Brazilian Real were returned, between 2020 and December 2022, through the electricity tariff, with an unwinding of 147,792 thousand Brazilian Real).

In the energy distribution activity, the subsidiaries of EDP Group in Portugal and Spain recover the deficits and tariff adjustment assets through the tariffs charged to their customers. The caption Amounts payable - securitizations includes the amounts payable to entities that have acquired the right to receive these assets in securitisation or direct sales operations in Portugal.

The caption Amounts payable - CMEC refers to amounts received by E-Redes - Distribuição de Eletricidade, S.A., through the tariff, regarding the CMEC Revisibility of 2016 and 2017, which delivery to REN is awaiting approval.

The caption Amounts payable for concessions includes the concession rights for the operation of the hydric domain of Alqueva and Pedrógão transferred by EDIA in the amount of 125,154 thousand Euros (31 December 2021: 128,467 thousand Euros) and the financial compensation for the use of the public domain related to concession agreements of Investco, S.A. and Enerpeixe, S.A. in Brazil in the amount of 85,903 thousand Euros (31 December 2021: 73,353 thousand Euros).

The caption Property, plant and equipment suppliers – Current and Non-current includes amounts payable arising from assets and projects acquisitions in the amount of 332,727 thousand Euros (31 December 2021: 284,521 thousand Euros) and the amounts due related with the construction of windfarms and solar parks in North America in the amount of 1,409,674 thousand Euros (31 December 2021: 969,660 thousand Euros), in Europe in the amount of 466,270 thousand Euros (31 December 2021: 219,780 thousand Euros) and in South America in the amount of 375,583 thousand Euros (31 December 2021: 48,838 thousand Euros).

The caption CO2 emission licenses includes the CO2 licenses consumptions during 2022 in Portugal and Spain, in the amount of 149,733 thousand Euros and 558,187 thousand Euros, respectively (31 December 2021: 54,722 thousand Euros and 245,819 thousand Euros). The variation that occurred includes the consumption of 2022 and the return, in 2022, of the licenses related to 2021 consumptions, which are delivered by April of the year following their consumption to the regulatory authorities.

The caption Other creditors and sundry operations – Current and Non-current includes, essentially, the amount payable to Mibel for daily energy transactions, amounts referring to the adjustments of the pool's price estimate in accordance with the regulatory mechanism for the renewable generation sector in Spain and amounts payable related to the reinsurance activity.

39. Other liabilities and other payables

Other liabilities and other payables are as follows:

Thousand Euros	Group		Company	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Other liabilities and other payables – Non-Current				
Liabilities measured at amortised cost:				
Loans from non-controlling interests	659,367	430,001	-	-
Lease Liabilities	1,252,000	951,751	139,728	143,737
Liabilities measured at fair value through profit or loss:				
Derivative financial instruments (see note 42)	2,701,116	1,523,949	2,013,300	1,618,247
Amounts payable and contingent prices for acquisitions/sales	152,614	126,484	30,134	62,014
Other Liabilities:				
Other creditors and sundry operations	394,399	7,790	-	-
	5,159,496	3,039,975	2,183,162	1,823,998
Other liabilities and other payables – Current				
Liabilities measured at amortised cost:				
Loans from non-controlling interests	17,582	42,754	-	-
Dividends attributed to related companies	77,182	68,124	-	-
Group companies	-	-	3,857	3,630
Lease Liabilities	135,792	97,697	12,603	12,617
Liabilities measured at fair value through profit or loss:				
Derivative financial instruments (see note 42)	3,052,590	2,417,295	3,192,332	3,168,309
Amounts payable and contingent prices for acquisitions/sales	274,974	139,396	32,325	51,335
Other Liabilities:				
Other creditors and sundry operations	42,773	15,835	152,185	194,561
	3,600,893	2,781,101	3,393,302	3,430,452
	8,760,389	5,821,076	5,576,464	5,254,450

The caption Loans from non-controlling interests Non-Current and Current mainly includes:

Thousand Euros		Dec 2022	Dec 2021
ACE Portugal (CTG Group)	Fixed rate of 3.75%	20,713	25,760
ACE Poland (CTG Group)	Fixed rate of a range between 2.95% / 7.23%	41,026	74,086
ACE Italy (CTG Group)	Fixed rate of 4.5%	31,954	43,868
CITIC CWEI Renewables (CTG Group)	Fixed rate of 5.5%	38	13,590
Macquarie Super Core Infrastructure Fund SD Holdings S.À.R.L.	Fixed rate of a range between 0.40% / 2.73%	572,124	302,622
		665,855	459,926

The variation of the caption Amounts payable and contingent prices for acquisitions/sales results essentially from the recognition of the costs actually incurred in the construction of the respective wind farms, as provided for in the context of the operation to sell projects in North America in 2021, recognition of contingent pricing arising from the sale of the solar project in North America, the recognition of contingent prices due to the acquisition of Xuan Thien Group by Sunseap Group Pte. Ltd. and the acquisition of Kronos by EDP Renewables Europe, S.L.U. (see note 6) (see note 6).

The movements in Lease Liabilities – Non Current and Current are as follows:

Thousand Euros	Dec 2022
Balance at the beginning of the period	1,049,448
Charge for the period	386,378
Unwinding of lease liabilities (see note 13)	46,146
Lease payments (principal and interests)	-133,696
Exchange differences	38,978
Perimeter variations and other regularisations	538
Balance at the end of the period	1,387,792

Perimeter variations and other regularisations mainly include the increase resulting from the acquisition of a solar distributed generation portfolio in Southeast Asia and the reduction resulting from Indiana Crossroads Solar Park project in North America sale (see note 6).

The nominal value of Lease Liabilities, by maturity, is as follows:

Thousand Euros	Dec 2022				
	Total	Capital outstanding by maturity			
		Less than 5 year	From 5 to 10 years	From 10 to 15 years	More than 15 years
Lease Liabilities	2,195,080	614,008	434,761	419,515	726,796

The caption Lease Liabilities, on a Company basis, includes lease contracts with EDP Pension and Medical and Death Subsidy Funds regarding the building units of Porto headquarters acquired by EDP Pension Fund in December 2015 and the Lisbon headquarters building given as an in-kind contribution to EDP Medical and Death Subsidy Fund in September 2017. These contracts were celebrated for a period of 25 years (see note 44).

The variation in the caption Other creditors and sundry operations, Non-Current and Current, results essentially from the recognition of the fair value of the options agreed between the parties regarding the acquisition of the Sunseap Group (56,442 thousand Euros) and the Kronos Group (341,996 thousand Euros) (see note 6).

40. Tax liabilities

Tax liabilities are as follows:

Thousand Euros	Group		Company	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Non Current				
Special tax Brazil	179,250	124,362	-	-
Current				
Income tax	163,784	100,533	28,913	38,971
Withholding tax	85,207	48,203	1,322	1,486
Value Added Tax (VAT)	558,718	244,938	3,097	2,666
Special taxes Brazil	50,510	83,148	-	-
Other taxes	142,883	105,864	1,370	1,232
	1,001,102	582,686	34,702	44,355
	1,180,352	707,048	34,702	44,355

The Special taxes Brazil caption relates to the following taxes: CSLL (Social Contribution on net profits), PIS (Social integration programme) and COFINS (Social Security Financing Contribution).

41. Non-Current assets and liabilities held for sale

The criteria for classifying assets and liabilities as held for sale, as well as their presentation in EDP Group's consolidated financial statements, are described in the Group's accounting policies (see note 2 t)).

This caption is as follows:

Thousand Euros	Group	
	Dec 2022	Dec 2021
Assets held for sale		
Electricity generation assets – Offshore wind	-	25,111
Electricity generation assets – Onshore wind (Spain and Poland)	-	455,813
Electricity generation assets – Hydro Brazil	-	219,867
Electricity generation assets – Joint Ventures	92,702	-
Electricity generation assets – Onshore wind – other	9,198	-
	101,900	700,791
Liabilities held for sale		
Electricity generation assets – Onshore wind (Spain and Poland)	-	62,345
Electricity generation assets – Hydro Brazil	-	25,720
	-	88,065
	101,900	612,726

The assets and liabilities associated with Moray West Holdings Limited were classified as non-current assets and liabilities held for sale under the sale plan that the EDPR Group has entered into in the past. During the fourth quarter of 2022, EDPR Group announced the closing of this transaction (see note 6).

During the Year of 2021, EDPR Group, as part of its asset rotation program, started the process of selling onshore wind portfolios in Europe (Spain and Poland). Assets and liabilities associated with these portfolios were presented in non-current assets and liabilities held for sale. During the second quarter of 2022, EDPR Group announced the closing of these transactions (see note 6).

During the last quarter of 2021, the EDP Brasil Group started a structured process for the sale of three hydro assets: Companhia Energética do Jari – CEJA, Empresa de Energia Cachoeira Caldeirão S.A. and Energest S.A. Assets and liabilities associated with this portfolio was presented in non-current assets and liabilities held for sale.

The negotiations with potential investors in the selling of Companhia Energética do Jari – CEJA and Empresa de Energia Cachoeira Caldeirão S.A. were not successful, so these assets are no longer presented as held for sale in the third quarter of 2022.

In August 2022 EDPB has entered into a sale agreement with VH GSEO UK Holdings Limited, a subsidiary of Victory Hill Global Sustainable Energy Opportunities, for the total disposal of Energest S.A., the owner of Mascarenhas Hydro Power Plant. During the fourth quarter of 2022, EDPB announced the closing of this transaction (see note 6).

During the second quarter of 2022, EDPR Group, as part of its asset rotation program, started the process of selling an onshore wind portfolio in Italy. Assets and liabilities associated with these portfolios were presented in non-current assets and liabilities held for sale. During the third quarter of 2022, EDPR Group announced the closing of this transaction (see note 6).

During the second quarter of 2022, EDP Group started the process of selling Hydro Global. The asset associated with this investment was presented in non-current assets held for sale. During the fourth quarter of 2022, EDP Group announced the closing of this transaction (see note 6).

During the third quarter of 2022, EDPR Group, as part of its asset rotation program, started the process of selling an onshore wind portfolio in Brazil. Assets and liabilities associated with this portfolio were presented in non-current assets and liabilities held for sale. In January 2023, the EDPR Group concluded the sale of this portfolio, and the conditions precedent of the transaction were verified on 31 December 2022 and such its assets and liabilities were derecognized on that date (see notes 6 and 46).

During the fourth quarter of 2022, EDP Group started the process of selling an electricity production joint ventures. The asset associated with this investment was presented in non-current assets held for sale.

As at 31 December 2022 the following reclassifications were made to held for sale:

Thousand Euros	Other Segments	Renewables	Total
	Joint Ventures	Onshore wind	
Assets			
Property, plant and equipment (see note 16)	-	-9,198	-9,198
Investments in joint ventures and associates (see note 21)	-92,702	-	-92,702
Assets Held for Sale	92,702	9,198	101,900
	-	-	-

These reclassifications were made only for financial statement presentation purposes, without impact on the measurement of these assets and liabilities, as it is expected that the fair value less costs to sell is higher than its book value, in accordance with IFRS 5.

42. Derivative financial instruments

In accordance with IFRS 9, the Group classifies derivative financial instruments as fair value hedge of a recognised asset or liability (Fair value hedge), as cash flow hedge of recognised liabilities and highly probable future transactions (Cash flow hedge), as net investment hedge in foreign operations (Net investment hedge), or as held for trading, if or when they are not eligible for hedge accounting.

The fair value of the derivative financial instruments in EDP Group is as follows:

Thousand Euros	Dec 2022		Dec 2021	
	Assets	Liabilities	Assets	Liabilities
Net investment hedge				
Cross-currency interest rate swaps	36,986	-211,081	13,917	-64,452
Currency forwards	25,726	-84,063	2,898	-30,313
Fair value hedge				
Interest rate swaps	479	-34,407	39,022	-
Cross-currency interest rate swaps	26,007	-47,711	48,263	-7,829
Cash flow hedge				
Interest rate swaps	114,670	-1,611	748	-9,142
Swaps related to gas commodity	557,885	-2,279,446	858,421	-1,904,607
Electricity swaps	306,998	-1,262,063	171,230	-645,611
Currency forwards (includes commodities forwards)	71,295	-37,437	84,135	-1,578
Trading				
Interest rate swaps	14,474	-10,625	515	-6,875
Cross-currency interest rate swaps	11,382	-48,289	8,959	-2,094
Commodity swaps and forwards	1,277,258	-1,680,641	1,061,750	-1,189,754
Currency forwards	81,990	-33,173	12,596	-8,616
CO2 forwards	2,196	-12,116	9,605	-32,981
Currency forwards associated to commodities	48,352	-11,043	41,267	-8,474
Commodity options	-	-	-	-28,918
	2,575,698	-5,753,706	2,353,326	-3,941,244

As at 31 December 2022, EDP Group holds contracts for the purchase and sale of commodities traded on futures exchange market, namely Chicago Mercantile Exchange, Intercontinental Exchange, European Energy Exchange and OMIP, whose fair value of the contracted operations is settled on a daily basis, and therefore it is not included in the Statement of Financial Position. The notional of these futures contracts amounts to 4,264,301 thousand Euros with maturities ranged between 2023 and 2031 (31 December 2021: 2,971,782 thousand Euros), and the fair value held in EDP Group results and cash flow hedge reserves related to these operations are a negative amount of 102,517 thousand Euros and a positive amount of 280,621 thousand Euros, respectively (31 December 2021: negative amount of 129,223 thousand Euros and positive amount of 295,538 thousand Euros).

The management of financial risk of EDP, S.A. and other EDP Group companies, is carried out centrally by EDP, S.A. (note 5). On this basis, EDP, S.A. negotiates derivative financial instruments with external entities to hedge its own individual business risks, as well as for other companies of the Group, performing for these entities' as an intermediate in their contracting.

The fair value of the derivative financial instruments at Company level is as follows:

Thousand Euros	Dec 2022		Dec 2021	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedge				
Interest rate swaps	92,527	-57,498	-	-
Swaps related to gas commodity	-187,698	-1,260,430	107,577	-934,872
Electricity swaps	438,952	-142,417	593,502	-82,172
Currency forwards (includes commodities forwards)	60,352	8,382	61,439	-219
Trading				
Interest rate swaps	36,637	-35,203	38,271	-43,221
Cross-currency interest rate swaps	165,562	-217,572	107,185	-87,542
Commodity swaps	3,143,029	-3,186,752	4,215,967	-3,465,075
Currency forwards	189,713	-189,713	36,494	-31,827
Commodity forwards	33,618	-92,557	59,877	-73,180
Currency forwards associated to commodities	67,896	-31,872	42,875	-10,591
Commodity options	-	-	28,918	-57,857
	4,040,588	-5,205,632	5,292,105	-4,786,556

During the application of hedge accounting with pre-existing derivatives, the value of the Currency forwards associated to commodities has a positive value that corresponds to the variation in the fair value of the instruments since the date of designation, while the contracts as a whole they represent a liability; The asset value of Swaps related to gas commodities has a negative value that corresponds to the change in the fair value of the instruments since the designation date, while the contracts as a whole represent an asset.

The fair value of derivative financial instruments is booked in Other debtors and other assets (see note 27) and Other liabilities and other payables (see note 39), according to its nature.

Fair value of derivative financial instruments is based on listed market prices, whenever available, or on valuations determined through valuation models that use variables observable on the market. Therefore, according to IFRS 13 requirements, the fair value of the derivative financial instruments is classified as of level 2 (see note 45) and no changes of level were made during this period. These valuation models are based on generally accepted discounted cash flow techniques and option valuation models, using market data obtained through financial information platforms.

Derivative financial instruments classified as trading are financial hedging instruments contracted for economic hedging at EDP Group level (see note 5), however such instruments are not eligible for hedge accounting under IFRS.

In 2022, the notional amounts per measurement unit of the derivative financial instruments in EDP Group, are as follows:

Thousand Units	Unit	2023	2024	2025	2026	Following years	Total
Net investment hedge							
Cross-currency interest rate swaps	Euros	91,158	878,454	-	436,740	1,638,223	3,044,575
Currency forwards	Euros	2,095,122	133,660	-	-	-	2,228,782
Fair value hedge							
Interest rate swaps	Euros	-	-	600,000	-	-	600,000
Cross-currency interest rate swaps	Euros	-	410,314	-	-	82,971	493,285
Cash flow hedge							
Interest rate swaps	Euros	157,487	53,280	50,522	52,268	2,169,398	2,482,955
Swaps related to gas commodity	MWh	47,400	33,375	13,989	1,044	87	95,895
Electricity swaps	MWh	127,711	119,474	106,614	68,044	570,945	992,788
Currency forwards (includes commodities forwards)	Euros	1,270,210	137,503	82,878	-	-	1,490,591
Trading							
Interest rate swaps	Euros	700	726	300,753	970	9,687	312,836
Cross-currency interest rate swaps	Euros	200,319	32,566	-	-	-	232,885
Swaps related to gas commodity	MWh	27,354	5,670	-	-	-	33,024
Electricity swaps and forwards	MWh	29,014	24,389	19,475	12,347	40,556	125,781
Currency forwards	Euros	1,595,331	29,497	4,000	4,000	-	1,632,828
CO2 forwards	MT	469	-	-	-	-	469
Currency forwards for commodities	Euros	353,858	149,580	-	-	-	503,438

In 2021, the notional amounts per measurement unit of the derivative financial instruments in EDP Group, were as follows:

Thousand Units	Unit	2022	2023	2024	2025	Following years	Total
Net investment hedge							
Cross-currency interest rate swaps	Euros	84,861	52,687	877,009	-	686,740	1,701,297
Currency forwards	Euros	1,627,944	-	-	-	-	1,627,944
Fair value hedge							
Interest rate swaps	Euros	857,859	-	-	600,000	-	1,457,859
Cross-currency interest rate swaps	Euros	-	-	410,314	-	80,891	491,205
Cash flow hedge							
Interest rate swaps	Euros	49,412	27,929	26,694	9,795	175,102	288,932
Swaps related to gas commodity	MWh	62,576	38,639	26,869	12,792	-	140,876
Electricity swaps	MWh	7,352	5,759	4,637	2,868	13,451	34,067
Currency forwards for commodities	Euros	775,620	451,303	105,768	82,878	-	1,415,570
Trading							
Interest rate swaps	Euros	675	700	726	379,611	121,657	503,369
Cross-currency interest rate swaps	Euros	131,707	165,909	-	-	-	297,616
Swaps related to gas commodity	MWh	38,422	25,354	9,963	-	-	73,739
Electricity swaps and forwards	MWh	28,499	19,215	12,631	8,449	3,602	72,396
Currency forwards	Euros	1,986,790	16,613	-	-	-	2,003,403
CO2 forwards	MT	1,861	467	-	-	-	2,328
Currency forwards for commodities	Euros	269,801	236,508	149,580	-	-	655,889
Options purchased and sold	MWh	1,533	-	-	-	-	1,533

In 2022, the notional amounts per measurement unit of the derivative financial instruments at Company level, are as follows:

Thousand Units	Unit	2023	2024	2025	2026	Following years	Total
Cash flow hedge							
Interest rate swaps	Euros	-	-	-	-	3,321,992	3,321,992
Swaps related to gas commodity	MWh	29,096	22,589	13,836	1,044	87	66,652
Electricity swaps	MWh	3,682	1,747	1,774	1,803	14,452	23,458
Currency forwards (includes commodities forwards)	Euros	93,236	105,768	82,878	-	-	281,882
"Forwards" de CO2	MT	425	175	175	175	-	950
Trading							
Interest rate swaps	Euros	-	-	1,500,000	-	-	1,500,000
Cross-currency interest rate swaps	Euros	540,392	1,838,068	-	875,516	2,226,730	5,480,706
Swaps related to gas commodity	MWh	70,332	30,497	307	-	-	101,136
Coal swaps	MT	1,722	-	-	-	-	1,722
Electricity swaps	MWh	4,633	2,346	2,296	2,245	11,809	23,329
Currency forwards	Euros	6,286,550	362,690	8,000	8,000	-	6,665,240
CO2 forwards	MT	14,205	-	-	-	-	14,205
Currency forwards for commodities	Euros	1,086,421	149,580	-	-	-	1,236,001

In 2021, the notional amounts per measurement unit of the derivative financial instruments at Company level, were as follows:

Thousand Units	Unit	2022	2023	2024	2025	Following years	Total
Cash flow hedge							
Swaps related to gas commodity	MWh	23,658	20,801	16,253	12,792	-	73,504
Electricity swaps	MWh	3,346	4,017	3,654	3,359	11,869	26,245
Currency forwards for commodities	Euros	126,282	93,236	105,768	82,878	-	408,164
Trading							
Interest rate swaps	Euros	1,857,859	-	-	1,500,000	-	3,357,859
Cross-currency interest rate swaps	Euros	1,238,569	378,555	1,587,769	-	686,740	3,891,633
Swaps related to gas commodity	MWh	117,153	64,232	33,682	-	-	215,067
Coal swaps	MT	690	-	-	-	-	690
Electricity swaps	MWh	14,611	6,298	4,554	4,016	15,808	45,287
Currency forwards	Euros	5,766,759	614,890	-	-	-	6,381,649
CO2 forwards	MT	7,018	1,308	250	-	-	8,576
Currency forwards for commodities	Euros	475,807	266,753	149,580	-	-	892,141
Options purchased and sold	MWh	4,577	-	-	-	-	4,577

In 2022, the future undiscounted cash flows of the derivative financial instruments in EDP Group, are as follows:

Thousand Euros	2023	2024	2025	2026	Following years	Total
Net investment hedge						
Cross-currency interest rate swaps	-65,243	-88,562	-35,086	-51,774	-117,093	-357,758
Currency forwards	-59,868	1,531	-	-	-	-58,337
	<u>-125,111</u>	<u>-87,031</u>	<u>-35,086</u>	<u>-51,774</u>	<u>-117,093</u>	<u>-416,095</u>
Fair value hedge						
Interest rate swaps	-10,364	-12,262	-4,032	-	-	-26,658
Cross-currency interest rate swaps	6,728	-18,800	-1	-6	1	-12,078
	<u>-3,636</u>	<u>-31,062</u>	<u>-4,033</u>	<u>-6</u>	<u>1</u>	<u>-38,736</u>
Cash flow hedge						
Interest rate swaps	8,191	-8,182	-34,742	-35,099	-64,055	-133,887
Swaps related to gas commodity	-1,266,828	-720,531	-210,941	-5,441	-879	-2,204,620
Electricity swaps	-207,331	-117,583	-136,435	-38,685	-430,713	-930,747
Currency forwards (includes commodities forwards)	-166	25,453	6,437	-	-	31,724
	<u>-1,466,134</u>	<u>-820,843</u>	<u>-375,681</u>	<u>-79,225</u>	<u>-495,647</u>	<u>-3,237,530</u>
Trading						
Interest rate swaps	725	722	401	6,956	5,324	14,128
Cross-currency interest rate swaps	4,134	-24,123	-	-	-	-19,989
Commodity swaps and forwards	-67,636	63,166	18,453	5,878	-43,805	-23,944
CO2 forwards	-10,236	-	-	-	-	-10,236
Currency forwards	51,309	272	-274	-321	-	50,986
Currency forwards for commodities	18,731	18,578	-	-	-	37,309
	<u>-2,973</u>	<u>58,615</u>	<u>18,580</u>	<u>12,513</u>	<u>-38,481</u>	<u>48,254</u>
	<u>-1,597,854</u>	<u>-880,321</u>	<u>-396,220</u>	<u>-118,492</u>	<u>-651,220</u>	<u>-3,644,107</u>

In 2021, the future undiscounted cash flows of the derivative financial instruments in EDP Group, are as follows:

Thousand Euros	2022	2023	2024	2025	Following years	Total
Net investment hedge						
Cross-currency interest rate swaps	-33,806	-33,222	-14,954	-14,863	-39,498	-136,343
Currency forwards	-27,946	-	-	-	-	-27,946
	<u>-61,752</u>	<u>-33,222</u>	<u>-14,954</u>	<u>-14,863</u>	<u>-39,498</u>	<u>-164,289</u>
Fair value hedge						
Interest rate swaps	26,135	7,453	7,460	5,793	-	46,841
Cross-currency interest rate swaps	18,700	18,730	6,134	-	9,331	52,895
	<u>44,835</u>	<u>26,183</u>	<u>13,594</u>	<u>5,793</u>	<u>9,331</u>	<u>99,736</u>
Cash flow hedge						
Interest rate swaps	-6,141	-4,856	-4,117	-3,404	-20,202	-38,720
Swaps related to gas commodity	-488,014	-384,245	-133,743	-36,541	-	-1,042,543
Electricity swaps	-238,650	-101,847	-78,103	-57,666	1,590	-474,676
Currency forwards for commodities	39,311	24,597	19,539	345	-	83,792
	<u>-693,494</u>	<u>-466,351</u>	<u>-196,424</u>	<u>-97,266</u>	<u>-18,612</u>	<u>-1,472,147</u>
Trading						
Interest rate swaps	-1,009	-1,029	-1,032	-1,099	515	-3,654
Cross-currency interest rate swaps	-3,552	2,687	-	-	-	-865
Commodity swaps and forwards	-56,611	-68,809	-4,980	13,049	-9,821	-127,172
CO2 forwards	-13,574	-9,672	-	-	-	-23,246
Currency forwards	3,278	-3	-	-	-	3,275
Currency forwards for commodities	10,135	11,084	11,574	-	-	32,793
Options purchased and sold	-28,918	-	-	-	-	-28,918
	<u>-90,251</u>	<u>-65,742</u>	<u>5,562</u>	<u>11,950</u>	<u>-9,306</u>	<u>-147,787</u>
	<u>-800,662</u>	<u>-539,132</u>	<u>-192,222</u>	<u>-94,386</u>	<u>-58,085</u>	<u>-1,684,487</u>

In 2022, the future undiscounted cash flows of the derivative financial instruments at Company level, are as follows:

Thousand Euros	2023	2024	2025	2026	Following Years	Total
Cash flow hedge						
Swaps related to gas commodity	723	-7,772	-7,706	-7,716	-16,172	-38,643
Gas swaps	-778,018	-433,267	-208,431	-5,441	-879	-1,426,036
Electricity swaps	45,437	138,742	54,225	29,102	54,147	321,653
Commodity forwards	3,529	-1,347	-1,077	-1,040	-	65
Currency forwards (includes commodities forwards)	23,578	26,860	6,437	-	-	56,875
	-704,751	-276,784	-156,552	14,905	37,096	-1,086,086
Trading						
Interest rate swaps	627	629	313	-	-	1,569
Cross-currency interest rate swaps	-9,988	30	-2,382	-1,452	-31,702	-45,494
Commodity swaps	-11,308	-56,806	-18,052	-10,245	-17,799	-114,210
Commodity forwards	-47,585	-	-	-	-	-47,585
Currency forwards for commodities	17,446	18,578	-	-	-	36,024
	-50,808	-37,569	-20,121	-11,697	-49,501	-169,696
	-755,559	-314,353	-176,673	3,208	-12,405	-1,255,782

In 2021, the future undiscounted cash flows of the derivative financial instruments at Company level, are as follows:

Thousand Euros	2022	2023	2024	2025	Following Years	Total
Cash flow hedge						
Swaps related to gas commodity	-482,194	-226,577	-80,941	-36,535	-	-826,247
Electricity swaps	309,822	179,373	66,580	13,192	-60,364	508,603
Currency forwards for commodities	24,849	16,492	19,535	345	-	61,221
	-147,523	-30,712	5,174	-22,998	-60,364	-256,423
Trading						
Interest rate swaps	-4,260	-1,029	-1,032	-515	-	-6,836
Cross-currency interest rate swaps	54,684	-25,601	-11,202	-14,863	-39,498	-36,480
Commodity swaps	782,678	7,393	-21,008	-17,060	4,692	756,695
Currency forwards	-	-	-	-	-	-
Commodity forwards	-6,028	-8,276	1,078	-	-	-13,226
Currency forwards for commodities	10,592	10,781	12,105	-	610	34,088
Commodity options purchased and sold	-28,939	-	-	-	-	-28,939
	808,727	-16,732	-20,059	-32,438	-34,196	705,302
	661,204	-47,444	-14,885	-55,436	-94,560	448,879

The changes in the fair value, including accrued interest, of hedging instruments and risks being hedged are as follows:

Thousand Euros	Hedging instrument	Hedged risk	2022		2021	
			Changes in fair value		Changes in fair value	
			Instrument	Risk	Instrument	Risk
Net investment (i)	Cross-curr. int. rate swaps	Subsidiaries in RON, BRL, GBP, USD, CAD, SGD and COP	-154,482	104,984	-143,166	166,650
Fair value	Interest rate swap	Interest rate	-72,950	72,950	-31,493	31,493
Fair value	Cross-curr. int. rate swaps	Exchange and interest rate	-62,138	58,123	17,088	-10,223
Cash flow	Interest rate swap	Interest rate	121,453	-121,453	14,171	-14,171
Cash flow	Currency forwards	Exchange rate	-48,699	48,699	51,281	-51,281
Cash flow (ii)	Commodity swaps	Commodity prices	-1,156,059	1,125,021	-1,507,088	1,476,050
			-1,372,875	1,288,324	-1,599,207	1,598,518

- (i) Fair value variation of the hedging instrument on Cross currency interest rate swaps for Net investment includes a negative amount of 25,450 thousand Euros related to the cost of hedging (19,387 thousand Euros net of tax effect), recorded in reserves (see note 32), and ineffectiveness of a negative amount of 24,048 thousand Euros.
- (ii) Relating to December 2022, fair value variation of the hedging instrument on Commodity swaps for Cash flow includes a negative amount of 31,103 thousand Euros related to ineffectiveness.

Considering that hedging derivative financial instruments are contracted with a high correlation of critical terms, namely in the same currency and at the same indexes, the hedge ratio between the hedging instruments and the hedged instruments is 1:1.

As at 31 December 2022 and 2021, the following market inputs were considered for the fair value calculation:

Instrument	Fair value indexed to the following market inputs
Cross-curr. int. rate swaps	Interest rates: Euribor 3M, Euribor 6M, Libor 3M, Libor 6M, Daily CDI, Wibor 3M, Wibor 6M, CAD Libor 3M e Robor 3M; and exchange rates: EUR/GBP, EUR/BRL, EUR/CAD, EUR/COP, EUR/USD, USD/EUR.
Interest rates swaps	Interest rates: Euribor 3M, Euribor 6M, Wibor 6M, US Libor 3M e CAD Libor 3M, COOVIBR, Daily CDI, IPCA and SOFTRATE.
Currency forwards	Exchange rates: EUR/USD, EUR/PLN, EUR/BRL, EUR/HUF, EUR/CAD, EUR/COP, EUR/JPY, EUR/KRW, EUR/TWD, GBP/EUR, SGD/EUR, USD/CAD, USD/EUR, USD/HUF, USD/PLN, VND/USD.
Commodity swaps	Market quotes of commodities: Brent, NBP Natural Gas, Electricity, Henry Hub, TTF, Coal, CO2, JKM and Mibgas.

The changes in the fair value reserve related to cash flow hedges in 2022 and 2021 by nature of derivative financial instruments in EDP Group, were as follows:

Thousand Euros	Interest rate swaps	Commodity swaps	Currency forwards for commod.	Gross Amount	Deferred Tax	Total
Balance as at 1 January 2021	-7,210	-15,790	16,935	-6,065	1,697	-4,368
Fair value changes	-16,240	-1,110,047	31,179	-1,095,108	283,263	-811,845
Transfer to results from hedging	-923	24,579	13,841	37,497	-3,339	34,158
Comprehensive Income changes in associates	339	-	-	339	856	1,195
Balance as at 31 December 2021	-24,034	-1,101,258	61,955	-1,063,337	282,477	-780,860
Fair value changes	155,175	1,008,064	-49,067	1,114,172	-416,901	697,271
Transfer to results from hedging	-243	-1,884,486	37,179	-1,847,550	431,581	-1,415,969
Comprehensive Income changes in associates	14,995	-	-	14,995	-10,539	4,456
Balance as at 31 December 2022	145,893	-1,977,680	50,067	-1,781,720	286,618	-1,495,102

The changes in the fair value reserve related to cash flow hedges in 2022 and 2021 by nature of derivative financial instruments at Company level, were as follows:

Thousand Euros	Interest rate swaps	Commodity swaps	Currency forwards for commod.	Gross Amount	Deferred Tax	Total
Balance as at 1 January 2021	-	52,891	32,001	84,892	-19,139	65,753
Fair value changes	-	1,545,107	43,737	1,588,844	-357,490	1,231,354
Transfer to results from hedging	-	-1,105,974	-14,518	-1,120,492	252,111	-868,381
Balance as at 31 December 2021	-	492,024	61,220	553,244	-124,518	428,726
Fair value changes	35,029	-662,315	44,692	-582,594	130,644	-451,950
Transfer to results from hedging	-	-698,148	-37,179	-735,327	154,419	-580,908
Balance as at 31 December 2022	35,029	-868,439	68,733	-764,677	160,545	-604,132

Changes in fair value for the period, on consolidated and individual basis, in the fair value reserve include: (i) future contracts for the purchase and sale of commodities traded on futures exchange market whose fair values are settled on a daily basis, and therefore are not in the statement of financial position; and (ii) fair value variation of derivative financial instruments contracted and settled within the same period.

The gains and losses on the financial instruments portfolio, excluding accrued interest, booked in the Income Statement in 2022 and 2021 are as follows:

Thousand Euros	Group		Company	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Commodity derivatives held for trading	323,710	-330,148	640,786	-192,825
Debt derivatives held for trading	-23,659	35,940	18,747	28,587
Net investment hedge - ineffectiveness	-24,048	-1,090	-	-
Fair value hedges:				
-Derivatives	-96,760	-24,012	-	-
-Hedged liabilities	108,871	43,915	-	-
Cash flow hedges:				
-Transfer to results from hedging of financial liabilities	-243	-923	-	-
-Transfer to results from hedging of commodity prices	-1,728,411	38,420	735,327	1,120,492
	-1,440,540	-237,898	1,394,860	956,254

The amount transferred to the Income Statement related to the hedging of commodity derivatives is included in the caption of Revenues and cost of Energy Sales and Services and Other.

The effective interest rates of the derivative financial instruments relating to financing operations in EDP Group at 31 December 2022 are as follows:

	Notional Euro'000	Currency	EDP Pays	EDP Receives
Interest rate contracts:				
Interest rate swaps (i)	917,089	EUR	[3.67% - 0.00%]	[1.05% - -2.70%]
Interest rate swaps (ii)	1,000,000	EUR	n.a.	n.a.
Interest rate swaps (ii)	938,496	USD	n.a.	n.a.
Interest rate swaps	318,456	USD	[1.86% - 1.23%]	[-4.12% - -4.63%]
Interest rate swaps	28,322	PLN	[2.48%]	[-7.46%]
Interest rate swaps	314	BRL	[14.02% - 13.62%]	[10.04% - 9.29%]
Interest rate swaps	11,830	CAD	[2.75% - 2.59%]	[-4.20% - -4.88%]
Interest rate swaps	163,837	SGD	[4.45% - 1.81%]	[5.15% - 3.10%]
Currency and interest rate contracts:				
CIRS (currency interest rate swaps) (i)	451,306	EUR/GBP	[5.26% - 1.35%]	[8.63% - 0.00%]
CIRS (currency interest rate swaps)	170,398	EUR/PLN	[10.05% - 7.16%]	[5.12% - 1.58%]
CIRS (currency interest rate swaps)	15,990	EUR/BRL	[5.95%]	[-0.44%]
CIRS (currency interest rate swaps)	5,645	EUR/COP	[4.15%]	[2.13%]
CIRS (currency interest rate swaps)	95,378	EUR/CAD	[5.16% - 4.41%]	[2.20% - 1.56%]
CIRS (currency interest rate swaps) (i)	107,391	USD/BRL	[14.95% - 13.22%]	[3.73% - 0.62%]
CIRS (currency interest rate swaps) (i)	2,927,563	USD/EUR	[5.30% - 2.30%]	[3.88% - 0.38%]

- (i) EDP pays floating rate and receives fixed rate;
 (ii) Pre-hedging strategy. The contracts start at a future date.

The effective interest rates of the derivative financial instruments relating to financing operations in EDP Group at 31 December 2021 were as follows:

	Notional Euro'000	Currency	EDP Pays	EDP Receives
Interest rate contracts:				
Interest rate swaps	1,835,976	EUR	[3,67% - -0,53%]	[2,63% - -0,53%]
Interest rate swaps	13,763	PLN	[2,78% - 2,48%]	[-0,25%]
Interest rate swaps	86,437	USD	[4,14% - 1,08%]	[-0,09% - -3,50%]
Interest rate swaps	190,171	BRL	[5,96% - 5,59%]	[15,07% - 14,35%]
Interest rate swaps	123,812	CAD	[2,75% - 2,10%]	[-0,45% - -0,51%]
Currency and interest rate contracts:				
CIRS (currency interest rate swaps)	451,378	EUR/GBP	[3,55% - 1,25%]	[8,63%]
CIRS (currency interest rate swaps)	32,812	EUR/RON	[3,11%]	[-0,57%]
CIRS (currency interest rate swaps)	227,234	EUR/PLN	[5,69% - -0,57%]	[1,96% - -0,58%]
CIRS (currency interest rate swaps)	29,345	EUR/BRL	[5,95% - 0,03%]	[-0,44% - -0,58%]
CIRS (currency interest rate swaps)	8,422	EUR/COP	[3,83%]	[-0,58%]
CIRS (currency interest rate swaps)	91,378	EUR/CAD	[0,75% - 0,27%]	[-0,55% - -0,59%]
CIRS (currency interest rate swaps)	110,209	USD/BRL	[11,12% - 3,87%]	[1,13% - 0,62%]
CIRS (currency interest rate swaps)	1,539,340	USD/EUR	[3,82% - 2,30%]	[1,50% - 0,38%]

The contracted prices of the derivative financial instruments relating to commodities at 31 December 2021 were as follows:

	Unit	2023	2024	2025	2026	Following Years
Electricity swaps	Euros/MWh	[33,20 - 67]	[33,20 - 67]	[33,20 - 67]	[33,20 - 67]	[33,20 - 67]
Swaps related to gas commodity	Euros/MWh	[8,02 - 265]	[9,01 - 159,9]	[7,99 - 159,9]	[43,25 - 46,95]	[43,25 - 46,95]
CO2 forwards	Euros/MT	[43,19 - 100,31]	[94,5 - 97,05]	[97,32 - 100,18]	[102,4 - 107]	n.a.

43. Commitments

Operating guarantees granted by EDP Group, not included in the consolidated statement of financial position nor in the Notes, are as follows:

Thousand Euros	Group		Company	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Operating guarantees				
EDP S.A.	966,223	637,968	966,223	637,968
EDP España Group	56,894	64,360	-	-
EDP Brasil Group	158,503	144,133	-	-
EDP Renováveis Group	3,717,511	2,287,997	-	-
	4,899,131	3,134,458	966,223	637,968

The operating guarantees which are not included in the consolidated statement of financial position or in the Notes, as at 31 December 2022 and 2021, mainly refer to Power Purchase Agreements (PPA), interconnection, permits and market participation guarantees.

In addition to the above warranties, the amount of 30.450 thousand Euros refers to guarantees of an operating nature related to Spanish, Polish, Italian and Brazilian entities sold in 2022, but for which EDP assumes the responsibility temporarily until they are effectively replaced. The amount of 152,770 thousand Euros refers to guarantees of a financial nature also related to Brazilian companies sold in 2022, but for which EDP assumes the responsibility until 30 January 2023, when this has been effectively replaced (see note 6).

In addition to the guarantees identified above, EDP Group provides financial and operating guarantees related to liabilities assumed by joint ventures and associates in the amount of 595,766 thousand Euros and 475,044 thousand Euros, respectively (31 December 2021: 481,082 thousand Euros and 293,253 thousand Euros).

The remaining financial and operating guarantees granted by EDP Group have underlying liabilities that are already reflected in its consolidated statement of financial position and/or disclosed in the Notes.

In the Group, the commitments relating to future cash outflows not reflected in the measurement of the lease liabilities and purchase obligations are disclosed, by maturity, as follows:

Thousand Euros	Dec 2022				
	Capital outstanding by maturity				
	Total	Less than 1 year	From 1 to 3 years	From 3 to 5 years	More than 5 years
Future cash outflows not reflected in the measurement of the lease liabilities	72,957	14,036	20,992	7,946	29,983
Purchase obligations	30,758,869	8,279,232	4,910,939	3,151,817	14,416,881
	30,831,826	8,293,268	4,931,931	3,159,763	14,446,864

Thousand Euros	Dec 2021				
	Capital outstanding by maturity				
	Total	Less than 1 year	From 1 to 3 years	From 3 to 5 years	More than 5 years
Future cash outflows not reflected in the measurement of the lease liabilities	34,846	6,252	9,128	3,018	16,448
Purchase obligations	25,727,477	5,922,012	4,542,844	2,572,937	12,689,684
	25,762,323	5,928,264	4,551,972	2,575,955	12,706,132

The Group's contractual commitments shown above relate essentially to agreements and commitments required for current business activities. Specifically, the majority of the commitments are established to guarantee adequate supply of energy to the customers in Europe, North America and Brazil and to comply with medium and long term investment objectives of the Group.

As at 31 December 2022, there are commitments from future cash outflows not reflected in the measurement of the lease liabilities which refer to future rents of lease contracts already signed but not yet commenced.

The commitments related to the joint ventures are disclosed in note 21.

Purchase obligations of 11,288,241 thousand Euros essentially related with very long-term contracts for energy acquisition in the Brazilian market (by regulatory imposition) which are updated with the respective projected rates and discounted at present value by a rate that represents the weighted average cost of capital (WACC) of the EDP Brasil Group, as follows:

Thousand Euros	Dec 2022	Dec 2021
Purchase obligation – Present value	11,288,241	8,984,056
Purchase obligation – Nominal amount	14,970,460	12,893,660

Purchase obligations also include obligations of long term contracts relating to the supply of products and services under the Group's ordinary course of business. Prices defined under forward contracts are used in estimating the amount of contractual commitments.

The nature of purchase obligations breaks down as follows:

Thousand Euros	Dec 2022	Dec 2021
Fuel acquisition	8,242,498	6,908,075
Electricity acquisition	13,965,208	12,232,819
O&M contracts	1,104,328	838,575
Fixed assets, equipment and miscellaneous materials acquisition	3,835,686	2,337,649
Supply and assembly contract	2,099,320	2,301,643
Other supplies and services	1,511,829	1,108,716
	30,758,869	25,727,477

The commitments for fuel and electricity acquisition are disclosed, by maturity, as follows:

Thousand Euros	Dec 2022				
	Capital outstanding by maturity				
	Total	Less than 1 year	From 1 to 3 years	From 3 to 5 years	More than 5 years
Fuel acquisition	8,242,498	1,182,197	881,539	833,253	5,345,509
Electricity acquisition	13,965,208	1,180,135	2,239,989	2,052,073	8,493,011
	22,207,706	2,362,332	3,121,528	2,885,326	13,838,520

Thousand Euros	Dec 2021				
	Capital outstanding by maturity				
	Total	Less than 1 year	From 1 to 3 years	From 3 to 5 years	More than 5 years
Fuel acquisition	6,908,075	902,897	862,739	649,346	4,493,093
Electricity acquisition	12,232,819	977,059	1,888,041	1,702,631	7,665,088
	19,140,894	1,879,956	2,750,780	2,351,977	12,158,181

The caption Fuel Purchases corresponds, essentially, to gas acquisition commitments assumed by the Group through long term contracts for liquefied natural gas (LNG) in international terminals (Trinidad and Tobago until 2024 and United States of America until 2040).

Some of the transactions related to the disposal of non-controlling interests while retaining control, carried out in previous years, incorporate contingent assets and liabilities according to the terms of the corresponding agreements. Additionally, some of the assets acquisition transactions foresee contingent liabilities which depend on certain milestones and, although EDP Group has recognized the fair value of these liabilities in the consolidated financial statements, changes in the assumptions could change these liabilities.

At Company level, the commitments relating to future cash outflows not reflected in the measurement of the lease liabilities and purchase obligations are disclosed, by maturity, as follows:

Thousand Euros	Dec 2022				
	Capital outstanding by maturity				
	Total	Less than 1 year	From 1 to 3 years	From 3 to 5 years	More than 5 years
Future cash outflows not reflected in the measurement of the lease liabilities	1,876,639	897,558	979,081	-	-
Purchase obligations	7,553,971	515,554	867,485	831,341	5,339,591
	9,430,610	1,413,112	1,846,566	831,341	5,339,591

Thousand Euros	Dec 2021				
	Capital outstanding by maturity				
	Total	Less than 1 year	From 1 to 3 years	From 3 to 5 years	More than 5 years
Future cash outflows not reflected in the measurement of the lease liabilities	62	45	17	-	-
Purchase obligations	6,235,282	384,121	702,960	653,440	4,494,761
	6,235,344	384,166	702,977	653,440	4,494,761

During 2022, EDP Group developed a global vision of energy management, creating a new structure for this purpose, called GEM ("Global Energy Management"). As a result, in December 2022, EDP and EDP Produção, Hidroelétrica do Guadiana and Greenouga entered into the mandate contract for the placement (purchase and sale) of electricity on the market ("Contract") produced by hydroelectric and natural gas combined cycle plants in Portugal during the years 2023 and 2024. Within the scope of this Contract, as of 1 February 2023, EDP will issue dispatch instructions to EDP Produção, Hidroelétrica do Guadiana and Greenouga, in order to adapt the production of electricity to the offers it makes on the market. In addition, EDP started to assume, in full and upon payment of a substantially fixed consideration, the economic risks and benefits associated with the dispatch of electricity production and subsequent placing on the market and the purchase of fuels and CO2 licenses necessary for the operation of the Thermal Power Plants, with the volatility associated with price and volume variation related to electricity and fuels being substantially assumed by EDPS.A.

Within the scope of this Contract, EDP will be responsible for:

- issue Dispatch Instructions relating to the electricity to be produced by the Electric Power Plants for placing on the market;
- carrying out an adequate programming of the operation of the Electric Power Plants, taking into account the fulfillment of the contractual or legal obligations to which EDP Produção, Hidroelétrica do Guadiana and Greenouga are bound in their capacity as holder of the production and exploration licenses;
- develop all necessary actions for the acquisition and supply of fuels, as well as the CO2 licenses necessary for the operation of the Thermal Power Plants; and
- ensure the relationship with the Market Operator and the System Operator, as well as with any other official entities and with counterparties.

In turn, EDP Produção, Hidroelétrica do Guadiana and Greenouga will be responsible for:

- ensure the production of electricity in accordance with EDP's dispatch instructions, managing the Electric Power Plants, in order to maximize efficiency, availability and safety, as well as ensuring compliance with all legal, regulatory and contractual requirements in the production of electricity;
- fully ensure the operation and maintenance of the Electric Power Plants, bearing all costs associated with this operation and maintenance;
- comply with the Dispatch Instructions given by EDP in order to minimize Deviations and ensure the provision of the Complementary Services requested, as well as the applicable System Services, without prejudice to, in a justified and reasoned manner, refuse the execution of a Dispatch Instruction for the production of electricity on a given day and time, in cases where this is necessary to ensure compliance with contractual or legal obligations to which they are attached in their capacity as holders of production and exploration licenses; and
- manage the relationship with all public or private entities that intervene in matters that impact the operation of the reservoirs, in activities that interfere with the normal operation of the Electric Power Plants, as well as manage the relationship with REN Gasodutos, as operator of the national network of gas transport, within the scope of the operational management of natural gas.

The increase in future cash flows, on an individual basis, includes mainly this contract, which was included in the Transfer ("Trespasse") (see note 46).

The caption Purchase obligations corresponds, essentially, to the gas acquisitions commitments assumed by EDP SA, through a long-term contract for liquefied natural gas (LNG) in the United States of America.

44. Related parties

Shares held by company officers

The number of shares of EDP S.A. held or attributable to company officers as at 31 December 2022 and 2021 are as follows:

	2022	2021
	Nr. of shares	Nr. of shares
General and Supervisory Board		
China Three Gorges Corporation (represented by Dingming Zhang)	835,980,316	760,872,884
China Three Gorges International Limited (represented by Shengliang Wu)	835,980,316	760,872,884
China Three Gorges (Europe), S.A. (represented by Ignacio Herrero Ruiz)	835,980,316	760,872,884
Draursa, S.A. (represented by Felipe Fernández Fernández)	1,350	1,350
Fernando Maria Masaveu Herrero	285,709,976	285,434,976
João Carvalho das Neves	8,060	8,060
Sonatrach (representada por Karim Djebbour)	-	87,007,433
Luís Maria Viana Palha da Silva	5,479	5,479
Laurie Lee Fitch	40,000	-
Executive Board of Directors		
Miguel Stilwell de Andrade	205,000	180,000
Miguel Nuno Simões Nunes Ferreira Setas	8,104	8,104
Rui Manuel Rodrigues Lopes Teixeira	42,043	39,433
Vera de Moraes Pinto Pereira Carneiro	20,000	7,000

EDP S.A. bonds and the number of shares of other EDP group companies held or attributable to company officers are disclosed in part I section A Ownership structure of Part III – Corporate governance.

Remuneration of company officers

In accordance with the Company's by-laws, the remuneration of company officers is set by a Remunerations Committee appointed by the Shareholders' General Meeting, except for the remuneration of the members of the Executive Board of Directors (EBD), which is set by a Remunerations Committee appointed by the General and Supervisory Board (GSB).

Short-term employee benefits

During 2022, the annual fixed and variable remuneration cost accounted for the members of the EBD and the fixed remuneration of the GSB, was as follows:

Thousand Euros	EBD	GSB
President	1,304	515
Members	3,579	1,483
	4,883	1,998

The remuneration costs accounted with the EBD includes the amount of 1,702 thousand Euros related to the annual variable remuneration. This amount was calculated considering the best estimation of the variable remuneration for the year of 2022, in accordance with Remunerations Committee policy of the GSB, deducted from the correction of the accrual from the previous year compared with the amount paid.

Additionally, the Remunerations Committee policy of the GSB foresees, in certain circumstances, a variable multi-annual remuneration to the EBD members, corresponding to the mandates 2018-2020 and 2021-2023. On this basis, an estimated amount of 14,215 thousand Euros was accrued (31 December 2021: 13,848 thousand Euros).

During 2022, the total amount paid as remuneration of the members of the Remunerations Committee of the General Assembly and the Sustainability Committee mounted to 15,000 Euros and 7,000 Euros respectively.

Post-employment benefits

EDP has not created a supplementary pension fund or pension plan for directors by making, instead, contributions/or co-contributions with the administrator to a Savings Plan (PPR) in a net amount at 10% (ten percent) of their remuneration base. The PPR is subscribed by EDP to the insurer of your choice, indicating the administrator as a insured person, and the defined contribution of EDP is paid in twelve monthly installments. As the characteristics of the PPR corresponds to the usual characteristics on the market for this type of product, be reimbursable before the expiry of the term, in the terms legally applicable to these financial products. The PPR currently available to the members of the Executive Board of Directors may, upon the assent of the Remuneration Committee of the General and Supervisory Board, be replaced by capitalizing insurance linked unit or equivalent vehicle, depending on the offer and market practices each time.

Audit and non audit fees

In 2022, PwC fees relating to external audit and statutory audit of all subsidiaries of EDP Group, except EDP Brasil Group, amounted to 8,089,454 Euros. Additionally, the total fees charged by PwC for other assurance services, which include quarterly reviews, and other non audit services amounted to 2,181,843 Euros and 15,013 Euros, respectively.

In 2022, PwC Portugal fees relating to external audit and statutory audit of all subsidiaries of EDP Group in Portugal, amounted to 2,607,796 Euros. The total fees charged by PwC Portugal for other assurance of reliability services, which include quarterly reviews and other non audit services to subsidiaries of EDP Group in Portugal amounted to 1,776,591 Euros and 15,013 Euros, respectively.

Business operations between the Company and the members of the Executive Board of Directors and General and Supervisory Board with qualifying holdings and companies in the group or control relationship with EDP

In the course of its activity and regardless of their relevance, EDP concludes businesses and operations under normal market conditions for similar transactions with different entities, namely financial institutions, including holders of qualified shareholdings in EDP's share capital and those related parties.

On 11 May 2012, after the Strategic Partnership Agreement concluded with China Three Gorges Corporation (CTG) came into effect in December 2011, this company (and three other group companies) became part of EDP's General and Supervisory Board.

Under the Strategic Partnership Agreement with China Three Gorges Corporation, on 28 June 2013, EDP Renováveis, S.A. sold for a total final price of 368 million Euros to a CTG Group company (CITIC CWEI Renewables S.C.A.) a 49% shareholding in EDP Renováveis Portugal and 25% of the shareholder loans capital and supplementary capital contributions under the applicable rules for additional contributions granted to this company.

Also under this partnership, on 6 December 2013, EDP Brasil signed a Memorandum of Understanding with CWE Investment Corporation (CWEI), currently designated as China Three Gorges Corporation, a wholly owned subsidiary of CTG, setting out the main guidelines for a future partnership in joint investments between EDP Brasil and CWEI and that governs parties' participation in joint projects in Brazil. These investments by CWEI Brasil were considered for purposes of fulfilment of the Strategic Partnership Agreement in relation to the total investment of 2 billion Euros made by CTG up to 2015 (including co-funding of operating investments) in ready-to-build and operational renewable energy generation projects.

On 19 May 2015, EDP Renováveis, S.A. completed the sale to CTG, of a 49% equity shareholding in selected wind farms in Brazil. This transaction was recognised as a sale without loss of control, having the Group recognised non-controlling interests of 50,943 thousand Euros and an impact in reserves attributable to the Group of 10,337 thousand Euros.

On 27 October 2016, the transaction relating with the sale of the minority interest in the wind generation assets of EDP Renováveis, S.A. in Italy and Poland to CTG, which purchase and sale agreement was signed on 28 December 2015 was concluded. CTG, through ACE Poland S.A.R.L. and ACE Italy S.A.R.L., both owned in 100% by ACE Investment Fund LP, an entity owned by China Three Gorges Hong Kong Ltd, subsidiary of CTG, formalised the payment of approximately 363 million Euros corresponding to the final price agreed between the parties.

On 30 June 2017, EDP Renewables, SGPS, S.A. completed the sale to ACE Portugal S.A.R.L. (CTG Group), of a 49% equity shareholding in EDPR PT-PE. This transaction was recognised as a sale without loss of control, having the Group recognised non-controlling interests of 135,679 thousand Euros and an impact in reserves attributable to the Group of 74,419 thousand Euros in 2017.

On 28 December 2018, EDP Renováveis, S.A. completed the sale to CTG, of a 10% equity stake and respective shareholder loans on Moray Offshore Windfarm (East) Limited, for the total amount of 37.6 million Pounds.

On 10 December 2021, following the acquisition of Sunseap by EDP Renováveis S.A. and consequent entry into the Asian Market, EDP and CTG updated the Strategic Partnership Agreement (concluded in December 2011). This update aims to make the growth strategies of both companies more flexible, ensuring the application of the most demanding corporate governance standards in their future relationships.

On 27 June 2022, EDP Renováveis S.A. concluded a sales agreement with CTG for a 100% stake in an operational wind portfolio in Spain for a total amount of 328 million Euros (see note 6).

On 23 December 2022, EDP S.A. concluded the sale of its 50% stake in Hydro Global Investment Limited (“Hydro Global”) to China International Water & Electric Corporation (“CWE”), a company that belongs to China Three Gorges (“CTG”) group, for a total amount of 68 million US dollars (see note 6).

Balances and transactions with companies of China Three Gorges Group

In accordance with the EDP/CTG strategic partnership, EDPR Group completed the sale of 49% of EDPR Portugal, EDPR Brasil, EDPR PT-PE, EDPR Italia and EDPR Polska to CTG Group.

Following these transactions, CTG Group granted shareholders loans to the EDPR Group in the amount of 93,731 thousand Euros including accrued interests (31 December 2021: 157,304 thousand Euros) (see note 39).

During 2022, EDPR Portugal distributed dividends to CTG in the amount of 18,620 thousand Euros.

Balances with EDP Pension and Medical and Death Subsidy Funds

In December 2015, EDP, S.A. signed a lease contract related with the building units of the Porto headquarters (sold to the EDP Pension Fund in December 2015) for a period of 25 years. As at 31 December 2022, the present value of the lease liability, as a result of the adoption of IFRS 16, amounts to 43,872 thousand Euros (31 December 2021: 45,344 thousand Euros).

In September 2017, EDP, S.A. signed a lease contract related with the building of the Lisbon headquarters (given as an in-kind contribution to the EDP Medical and Death Subsidy Funds) for a period of 25 years. As at 31 December 2022, the present value of the lease liability, as a result of the adoption of IFRS 16, amounts to 83,300 thousand Euros (31 December 2021: 85,656 thousand Euros).

Following the decision and implementation of the autonomisation of the Medical Plan and Death Subsidy Plan in Portugal, EDP Group has made contributions of 34,560 thousand Euros in 2022 (31 December 2021: 11,520 thousand Euros). In the following years, until the end of 2027 and in the scenario where the liabilities associated with the mentioned plans are not 100% financed, the Group estimates to make additional contributions in the approximate total amount of 104 million Euros, in line with the financing plan approved by Insurance and Pension Funds Supervisory Authority (ASF) (see note 35).

Balances and transactions with subsidiaries, joint ventures and associates

In their ordinary course of business, EDP Group companies establish commercial transactions and operations with other Group companies, whose terms reflect current market conditions.

The credits and debits over subsidiaries, joint ventures and associates, at Company level, are as follows:

Credits held

Thousand Euros	31 December 2022			Total
	Intra-Group Financial Mov.	Loans and Interests receivable	Other Credits	
EDP Comercial, S.A.	141,560	66,643	138,021	346,224
E-Redes – Distribuição de Eletricidade, S.A.	60,325	1,579,546	41,688	1,681,559
EDP Finance B.V.	-	510,146	36,155	546,301
EDP Produção, S.A.	-	-	1,108,926	1,108,926
EDP Renováveis, S.A.	-	-	182,961	182,961
EDP Servicios Financieros España, S.A.U.	1,057,010	-	11,689	1,068,699
EDP Renewables Europe, S.L.U.	-	-	332,187	332,187
EDP Clientes, S.A.	-	2,592	1,141,910	1,144,502
EDP España, S.A.U.	-	-	220,800	220,800
EDP GEM Portugal, S.A.	377,945	10,037	297,411	685,393
EDP Renováveis Servicios Financieros, S.A.	-	-	90,709	90,709
Others	12,558	39,786	197,647	249,991
	1,649,398	2,208,750	3,800,104	7,658,252

The amount of 510,146 thousand Euros refers to one private placement by EDP S.A. of a bond issued by EDP Finance B.V.

Thousand Euros	31 December 2021			Total
	Intra-Group Financial Mov.	Loans and Interests receivable	Other Credits	
EDP Comercial, S.A.	-	5,622	389,273	394,895
E-Redes – Distribuição de Eletricidade, S.A.	214,547	1,503,659	36,275	1,754,481
EDP Finance B.V.	-	768,936	5,255	774,191
EDP Produção, S.A.	-	809,836	1,633,848	2,443,684
Hidrocantábrico Distribucion Eléctrica, S.A.U.	-	-	24,921	24,921
EDP Renováveis, S.A.	-	-	105,909	105,909
EDP Servicios Financieros España, S.A.U.	624,006	-	14,709	638,715
SU Eletricidade, S.A.	-	300,399	120,850	421,249
EDP Renewables Europe, S.L.U.	-	-	587,366	587,366
EDP Clientes, S.A.	-	-	1,058,380	1,058,380
Others	134,622	52,570	480,332	667,524
	973,175	3,441,022	4,457,118	8,871,315

Debits held

Thousand Euros	31 December 2022			Total
	Intra-Group Financial Mov.	Loans and Interests payable	Other Debits	
EDP Finance B.V.	-	6,117,495	84,501	6,201,996
EDP Produção, S.A.	658,826	-	1,087,772	1,746,598
SU Eletricidade, S.A.	1,404,673	-	28,133	1,432,806
EDP España, S.A.U.	-	-	689,932	689,932
EDP Clientes, S.A.	-	-	278,014	278,014
EDP GEM Portugal, S.A.	-	-	109,915	109,915
EDP Renewables Europe, S.L.U.	-	-	24,146	24,146
EDP Renováveis, S.A.	-	-	27,936	27,936
EDP Renováveis Servicios Financieros, S.A.	-	-	63,209	63,209
Others	132,227	-	84,278	216,505
	2,195,726	6,117,495	2,477,836	10,791,057

At 31 December 2022, the amount of 6,117,495 thousand Euros includes three intragroup bonds issued by EDP Finance BV and acquired by EDP S.A., in the total amount of 4,423,685 thousand Euros, with fixed and variable rate and a term to maturity up to 10 years.

Thousand Euros	31 December 2021			Total
	Intra-Group Financial Mov.	Loans and Interests payable	Other Debits	
E-Redes – Distribuição de Eletricidade, S.A.	-	-	794	794
EDP Finance, B.V.	-	5,948,182	45,396	5,993,578
EDP Renováveis Servicios Financieros, S.A.	-	-	57,730	57,730
EDP Produção, S.A.	902,040	-	1,537,113	2,439,153
EDP Renováveis, S.A.	-	-	23,811	23,811
SU Eletricidade, S.A.	1,297,239	-	1,466	1,298,705
EDP España, S.A.U.	-	-	648,624	648,624
EDP Clientes, S.A.	-	-	302,778	302,778
EDP GEM Portugal, S.A.	-	-	135,375	135,375
Others	149,326	-	238,241	387,567
	2,348,605	5,948,182	2,991,328	11,288,115

Expenses and income related to Subsidiaries, Joint Ventures and Associates, at Company level, are as follows:

Expenses

Thousand Euros	31 December 2022			Total
	Interest on Intra-Group Financial Mov.	Interest on Loans Obtained	Other Losses	
EDP Finance B.V.	-	71,870	63,292	135,162
EDP Produção, S.A.	-	-	2,656,425	2,656,425
EDP España, S.A.U.	-	-	1,010,282	1,010,282
EDP Clientes, S.A.	-	-	211,794	211,794
EDP Comercial, S.A.	-	-	1,411,188	1,411,188
EDP Renováveis S.A.	-	-	40,628	40,628
EDP GEM Portugal, S.A.	-	-	86,980	86,980
EDP Renováveis Servicios Financieros, S.A.	-	-	58,014	58,014
FISIGEN - Empresa de Cogeração, S.A.	-	-	56,146	56,146
Others	1,936	-	98,638	100,574
	1,936	71,870	5,693,387	5,767,193

Thousand Euros	31 December 2021			Total
	Interest on Intra-Group Financial Mov.	Interest on Loans Obtained	Other Losses	
EDP Finance B.V.	-	94,998	50,165	145,163
EDP Produção, S.A.	-	-	1,693,345	1,693,345
EDP España, S.A.U.	-	-	878,112	878,112
EDP Clientes, S.A.	-	-	13,925	13,925
EDP Servicios Financieros España, S.A.U.	3,765	-	-	3,765
Others	7	-	208,954	208,961
	3,772	94,998	2,844,501	2,943,271

Income

Thousand Euros	31 December 2022			Total
	Interest on Intra-Group Financial Mov.	Interest on Loans Granted	Other Gains	
EDP Comercial, S.A.	2,268	647	2,348,735	2,351,650
E-Redes – Distribuição de Eletricidade, S.A	163	20,279	461,435	481,877
EDP Produção, S.A.	52	3,695	570,534	574,281
EDP Finance B.V.	-	14,911	59,379	74,290
EDP Renewables Europe, S.L.U.	-	-	125,872	125,872
EDP Renováveis, S.A.	-	-	334,248	334,248
EDP España, S.A.U.	-	-	927,970	927,970
EDP GEM Portugal, S.A.	3,439	220	1,230,982	1,234,641
EDP Clientes, S.A.	-	11	1,531,646	1,531,657
EDP Renováveis Servicios Financieros, S.A.	-	-	91,905	91,905
EDP Servicios Financieros España, S.A.U.	-	-	75,002	75,002
Others	153	4,946	106,352	111,451
	6,075	44,709	7,864,060	7,914,844

Other gains include income from equity investments of 1,003,733 thousand Euros (see note 13).

Thousand Euros	31 December 2021			Total
	Interest on Intra-Group Financial Mov.	Interest on Loans Granted	Other Gains Gains	
EDP Comercial, S.A.	4	470	1,171,973	1,172,447
E-Redes – Distribuição de Eletricidade, S.A.	14	17,689	289,181	306,884
EDP Produção, S.A.	-	13,354	979,790	993,144
EDP Finance B.V.	-	12,299	45,870	58,169
EDP Renewables Europe, S.L.U.	-	-	471,065	471,065
EDP Renováveis, S.A.	-	-	221,613	221,613
EDP España, S.A.U.	-	-	774,161	774,161
EDP GEM Portugal, S.A.	31	220	411,908	412,159
EDP Clientes, S.A.	-	-	1,234,460	1,234,460
SU Eletricidade, S.A.	63	4,417	9,804	14,284
Others	-	1,644	624,740	626,384
	112	50,093	6,234,565	6,284,770

Assets, liabilities and transactions with related companies, for the Group, are as follows:

Assets and Liabilities

Thousand Euros	31 December 2022		
	Assets	Liabilities	Net Value
Joint Ventures			
Companhia Energética do JARI – CEJA	4,962	382	4,580
Empresa de Energia São Manoel, S.A.	1,675	8,036	-6,361
OW FS Offshore, S.A.	513,963	-	513,963
Other	4,829	522	4,307
	525,429	8,940	516,489

Associates			
Parque Eólico Sierra del Madero, S.A.	5,634	-	5,634
Centrais Elétricas de Santa Catarina, S.A. – Celesc	7,680	826	6,854
Solar Works! B.V.	3,490	-	3,490
Eólica de São Julião, Lda.	23,257	555	22,702
HC Tudela Cogeneración, S.L.	1,687	15	1,672
SCNET – Sino-Portuguese Centre	-	1,080	-1,080
Other	3,124	50	3,074
	44,872	2,526	42,346
	570,301	11,466	558,835

Thousand Euros	31 December 2021		
	Assets	Liabilities	Net Value
Joint Ventures			
Companhia Energética do JARI – CEJA	2,940	342	2,598
Empresa de Energia São Manoel, S.A.	8,031	494	7,537
OW FS Offshore, S.A.	180,544	-	180,544
Other	6,515	6,034	481
	198,030	6,870	191,160

Associates			
Parque Eólico Sierra del Madero, S.A.	5,621	-	5,621
Eos Pax Ila, S.L.	5,257	-	5,257
Centrais Elétricas de Santa Catarina, S.A. – Celesc	4,972	2,715	2,257
Solar Works! B.V.	2,594	-	2,594
Eólica de São Julião, Lda.	16,572	1,638	14,934
Others	2,139	74	2,065
	37,155	4,427	32,728
	235,185	11,297	223,888

Transactions

Thousand Euros	31 December 2022			
	Operating Income	Financial Income	Operating Expenses	Financial Expenses
Joint Ventures				
Companhia Energética do JARI – CEJA	450	-	3,048	-
Empresa de Energia São Manoel, S.A.	7,276	-	24,171	-
OW FS Offshore, S.A.	3,471	15,885	-	-
Other	2,588	50	1,067	-
	<u>13,785</u>	<u>15,935</u>	<u>28,286</u>	<u>-</u>
Associates				
Eos Pax Ila, S.L.	46	-	5,031	-
Eólica de São Julião, Lda	11,170	-	6,571	-
HC Tudela Cogeneración, S.L.	14,644	12	11,355	-
Other	1,247	770	111	2,761
	<u>27,107</u>	<u>782</u>	<u>23,068</u>	<u>2,761</u>
	<u>40,892</u>	<u>16,717</u>	<u>51,354</u>	<u>2,761</u>
Thousand Euros	31 December 2021			
	Operating Income	Financial Income	Operating Expenses	Financial Expenses
Joint Ventures				
Companhia Energética do JARI – CEJA	214	-	2,376	-
Empresa de Energia São Manoel, S.A.	3,535	-	6,416	-
Empresa de Energia Cachoeira Caldeirão, S.A.	159	-	2,520	-
OW FS Offshore, S.A.	881	5,953	-	-
Other	12,503	16	9,148	-
	<u>17,292</u>	<u>5,969</u>	<u>20,460</u>	<u>-</u>
Associates				
Eos Pax Ila, S.L.	5,739	-	-	-
Eólica de São Julião, Lda	20,750	-	4,046	-
Parque Eólico Belmonte, S.A.	428	31	-	-
Parque Eólico Sierra del Madero, S.A.	8	213	-	-
Other	823	182	63	-
	<u>27,748</u>	<u>426</u>	<u>4,109</u>	<u>-</u>
	<u>45,040</u>	<u>6,395</u>	<u>24,569</u>	<u>-</u>

During 2022, EDP Group contributed with 12,700 thousand Euros of donations to Fundação EDP (see note 11).

Additionally, management describes other transactions with related parties in the part I section A – Ownership structure of chapter 4 – Corporate governance. The aforementioned chapter includes transactions with holders of qualified shareholding positions as required by the Securities Code which are out of scope of IAS 24.

45. Fair value of financial assets and liabilities

Fair value of financial instruments is based, whenever available, on listed market prices. Otherwise, fair value is determined through quotations supplied by third parties or through the use of generally accepted valuation models, which are based on cash flow discounting techniques and option valuation models. These models use market data which impacts the financial instruments, namely yield curves, exchange rates and volatility indicators, including credit risk.

Market data is available on stock exchanges and/or financial information platforms such as Bloomberg and Reuters.

The fair value of financial assets and liabilities is as follows:

Thousand Euros	Dec 2022			Dec 2021		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Assets						
Equity instruments at fair value	216,418	216,418	-	189,942	189,942	-
Investment property	27,294	27,294	-	20,668	20,668	-
Debtors/other assets from commercial activities	8,660,346	8,660,346	-	8,596,510	8,596,510	-
Other debtors and other assets	2,720,607	2,720,607	-	2,298,676	2,298,676	-
Derivative financial instruments	2,575,698	2,575,698	-	2,353,326	2,353,326	-
Collateral deposits/financial debt	53,101	53,101	-	50,075	50,075	-
Cash and cash equivalents	4,900,205	4,900,205	-	3,222,409	3,222,409	-
	19,153,669	19,153,669	-	16,731,606	16,731,606	-
Liabilities						
Financial debt	20,022,473	18,938,885	-1,083,588	16,817,936	17,293,095	475,159
Suppliers and accruals	3,805,467	3,805,467	-	2,488,263	2,488,263	-
Institutional partnerships	2,212,162	2,212,162	-	2,259,741	2,259,741	-
Trade payables and other liabilities from commercial activities	5,241,322	5,241,322	-	4,859,389	4,859,389	-
Other liabilities and other payables	3,006,683	3,006,683	-	1,879,832	1,879,832	-
Derivative financial instruments	5,753,706	5,753,706	-	3,941,244	3,941,244	-
	40,041,813	38,958,225	-1,083,588	32,246,405	32,721,564	475,159

Given that EDP Group's financial assets and liabilities, recognised at amortised cost, are predominantly short-term and level 2, changes in fair value were not considered. Fair value of EDP Group's financial debt was determined considering current market, namely listed price (level 1).

The market value of financial debt, when no listed market prices are available, is calculated based on the discounted cash flows at market interest rates at the balance sheet date, increased by the best estimate, at the same date, of market conditions applicable to Group's debt.

According to IFRS 13 requirements, EDP Group established the way it obtains the fair value of its financial assets and liabilities. The levels used are defined as follows:

- Level 1 – Fair value based on the available listed price (not adjusted) in the identified active markets for assets and liabilities;
- Level 2 – Fair value based in market inputs not included in level 1, but observable in the market for the asset or liability, either directly or indirectly;
- Level 3 – Fair value of the assets and liabilities calculated with inputs that are not based on observable market information.

Thousand Euros	Dec 2022			Dec 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Equity instruments at fair value through Other comprehensive income (see note 22)	-	83,062	56,208	-	95,811	31,016
Profit or loss (see note 22)	-	-	77,148	-	-	63,115
Tariff deficit at fair value through other comprehensive income (see note 26)	-	1,164	-	-	564,046	-
Amounts receivable from concessions-IFRIC 12 at fair value through profit or loss (see note 26)	-	1,012,104	-	-	693,785	-
Investment property	-	27,294	-	-	20,668	-
Derivative financial instruments (see note 42)	-	2,575,698	-	-	2,353,326	-
	-	3,699,322	133,356	-	3,727,636	94,131
Financial liabilities						
Derivative financial instruments (see note 42)	-	5,753,706	-	-	3,941,244	-
	-	5,753,706	-	-	3,941,244	-

The market value of the amounts of tariff deficit at fair value through other comprehensive income is calculated based on the cash flows associated with these assets, discounted at rates which, at the balance sheet date, better reflect the assets risk considering the average term of the assets.

The amounts receivable from concessions – IFRIC 12 at fair value through profit or loss are valued based in the methodology of the Value of Replacement as New (VNR). This method requires that each asset is valued, at current prices, for all the expenses needed for its replacement by equivalent asset that performs the same services and has the same capacity as the existing asset. The valuation for each asset is based on (i) Data Bank of Referential Prices – which is defined in the Tariff Adjustment Procedures – PRORET; or (ii) Data Bank of Prices from the Distribution company – which is formed based on the company's own information; or (iii) Referential Budget – that corresponds to the calculation by comparison of market data, relating to other assets with similar characteristics. ANEEL reviews the VNR, through the valuation report of the Regulatory Remuneration Base, every three years for EDP Espírito Santo and every four years for EDP São Paulo, as established in the concession contracts.

The market value of investment properties is based on assessments using current market practices: the comparative method, in cases where there is an active and comparable market, the income method, through discounted cash flows and the cost method, which considers the market value of the land and the construction costs.

The movement in financial assets and liabilities included in Level 3 is as follows:

Thousand Euros	At fair value through	
	other comprehensive income	profit or loss
Balance at beginning of period	31,016	63,115
Change in fair value (see note 22)	248	7,082
Acquisitions	25,591	6,903
Disposals	-3,747	-
Other changes	3,100	48
Balance at the end of the period	56,208	77,148

The assumptions used in the determination of Equity Instruments at Fair Value are described in note 22, as required by IFRS 13.

46. Relevant or subsequent events

Green hybrid issuance of 1,000 million Euros

On 16 January 2023, EDP priced a fixed to reset rate subordinated notes issuance in the total amount of 1,000 million Euros, with an early redemption option exercisable by EDP 5 years after the issue date, final maturity date in April 2083 and a yield of 5.95% (coupon of 5.943%) up to the first reset date to happen 5 years and 3 months after issuance.

Notes buyback

On 23 January 2023, EDP acquired 672.8 million Euros of the 1,000 million Euros "Fixed to Reset Rate Subordinated Notes" with maturity in 2079. As a result of this operation, as at 31 December 2022, said amount was reclassified as short term financial debt (see note 34).

EDP completes a asset rotation deal of a 260 MW wind portfolio in Brazil

On 30 January 2023, EDP announced through its subsidiary EDPR, the completion of the Sale and Purchase Agreement with Companhia Paranaense de Energia to sell a 100% equity stake in 2 operating wind projects that total 260 MW of capacity, situated in the state of Rio Grande do Norte, Brazil, for an estimated enterprise value of 1.80 billion Brazilian Reals as of 31 December 2021 (300 million Euros) (see notes 6 and 41).

Transfer ("Trespasse") of the energy management business unit to EDP GEM Portugal, S.A.

On 1 February 2023, EDP S.A. entered into a transfer ("trespasse") agreement with EDP GEM Portugal, S.A. (EDP GEM) with the aim of transferring its energy management business unit. This transfer of activity results from the global vision of energy management that EDP Group has been developing which includes the transfer to EDP GEM of all assets, liabilities and contractual positions that make up that business unit, as well as its employees and associated means necessary to carry out its activity. The estimated global result of this operation for EDP S.A. is a negative amount of 58 million Euros. This amount can be adjusted accordingly the conditions agreed between the parties. On the same day and pursuant to this agreement, EDP S.A., the sole shareholder of EDP GEM, approved the provision of supplementary pecuniary capital contributions under the applicable rules for additional contributions, in the global amount of 1,000 million Euros.

EDP secures Power Purchase Agreement in Greece

On 14 February 2023, EDP announced through its subsidiary EDPR, that it had secured a long-term Power Purchase Agreement with MYTILINEOS – Energy & Metals, one of the largest industrial and energy companies in Greece, to sell the green energy produced by a 78 MW wind portfolio. This deal marks EDP's first Power Purchase Agreement in Greece and it will be covered by a portfolio that consists of 3 wind projects that are expected to enter into operation between the end of 2024 and 2025.

47. EDP Branch in Spain

The aim of EDP – Energias de Portugal – Sociedade Anónima, Sucursal en España is to manage and coordinate the energy interests of subsidiaries depending from EDP Group in Spain, organised through managing and monitoring structures, in order to ensure the maximum synergy and value creation in the operations and activities in Spain, also assuming itself as an organizational platform to lead the Iberian integration of shared and support services (back and middle offices). On this basis, interests in EDP Servicios Financieros (España), S.A.U., EDP International Investments and Services, S.L. and EDP España, S.A.U. are directly allocated to the assets of EDP Sucursal, as well as the majority interest in EDP Renováveis, S.A.

The Spanish branch of EDP has offices in Madrid and Oviedo. From a formal and legal point of view, the representation of the Spanish branch of EDP before third parties is ensured through the permanent representatives, which are members of the Executive Board of Directors of EDP, mandated for that purpose.

The structure of direction, coordination, management and representation of the Spanish branch of EDP is composed by an Executive Committee, a Management Committee and by direct representation on Iberian scope EDP Management Committees.

The Executive Committee is composed essentially by five permanent representatives, a Corporate General Director (Group Controller for the activities in Spain) and by first line directors of the business units in Spain, which constitute the main direction and coordination body of the Branch, being responsible for the coordination of the activities of the permanent representatives and of the Management Committee. The Management Committee is chaired by the Corporate General Director and is composed by the natural extension of the Departments of the Corporate Centre of EDP in Spain, namely the Department of M&A ("Direção de Projectos e Novos Negócios"), Department of Legal Affairs ("Direção de Assessoria Jurídica"), Department of Internal Audit ("Direção de Auditoria Interna"), Department of Administration and Finance ("Direção de Administração e Finanças"), Department of Human Resources ("Direção de Recursos Humanos"), Department of EDP Spain Foundation ("Direção da Fundação EDP Espanha"), Department of Regulation ("Direção de Regulação"), IT Department ("Direção de Tecnologias de Informação") and Department of Environment, Sustainability, Innovation and Climate Change ("Direção de Ambiente, Sustentabilidade, Inovação e Alteração Climática") ensuring in a homogeneous way the functions of these departments transversally to the Spanish territory, being provided with 223 human resources as at 31 December 2022, including 139 in its own payroll.

The Statement of Financial Position of the Branch is as follows:

Thousand Euros	EDP Branch	
	Dec 2022	Dec 2021
Investments in subsidiaries:		
- EDP Renováveis, S.A.	4,154,431	4,154,431
- EDP España, S.A.U.	2,105,002	2,105,002
- EDP Servicios Financieros (España), S.A.U.	482,695	482,695
- EDP International Investments and Services, S.L.	1,488,181	1,488,181
Deferred tax assets	8,087	50,844
Other debtors and other assets	15,014	8,544
Total Non-Current Assets	8,253,410	8,289,697
Other debtors and others assets	164,229	122,196
Tax receivable	16,812	45,648
Cash and cash equivalents	1,057,047	624,241
Total Current Assets	1,238,088	792,085
Total Assets	9,491,498	9,081,782
Equity	9,335,045	8,903,961
Financial debt	3,333	-
Employee benefits	1,865	1,823
Other liabilities and other payables	3,092	116
Total Non-Current Liabilities	8,290	1,939
Financial debt	3,667	42
Employee benefits	137	719
Other liabilities and other payables	140,582	171,759
Tax payable	3,777	3,362
Total Current Liabilities	148,163	175,882
Total Liabilities	156,453	177,821
Total Equity and Liabilities	9,491,498	9,081,782

48. Environmental matters

Expenses of an environmental nature are those identified and incurred to avoid, reduce or repair damage of an environmental nature resulting from the company's normal activity.

Expenses of an environmental nature are booked as expenses for the period, except if they qualify to be recognised as an asset according with IAS 16.

Investments of an environmental nature booked as Property, plant and equipment and intangible assets during 2022 and 2021, in the Group, are as follows:

Thousand Euros	Group	
	Dec 2022	Dec 2021
Air and climate protection	5,431	4,025
Water management	481	283
Waste management	1,671	258
Soil, subterranean and surface water protection	26,974	15,253
Noise and vibration reduction	224	540
Biodiversity protection	24,644	24,145
Landscape protection	5,933	12,081
Energetic efficiency	27,389	19,584
Radiations management	6	-
Other environmental management and protection activities	12,735	12,055
	105,488	88,224

During 2022 and 2021, the Group recognised expenses that are as follows:

Thousand Euros	Group	
	Dec 2022	Dec 2021
Air and climate protection	957,400	295,064
Water management	15,977	5,228
Waste management	6,348	14,443
Soil, subterranean and surface water protection	2,471	896
Noise and vibration reduction	245	285
Biodiversity protection	8,987	7,390
Landscape protection	181	26
Energetic efficiency	4,233	3,877
Radiations management	11	32
Research and development in the environmental area	289	309
Other environmental management and protection activities	9,913	6,664
	1,006,055	334,214

Under current and future socioeconomic trends and practices followed by the EDP Group regarding to environmental sustainability, the group accounts for provisions to cover the costs of dismantling, decommissioning, restoring and decontaminating land where electric power plants are located, of 65,431 thousand Euros and 132,445 thousand Euros for thermoelectric power plants located in Portugal and Spain, respectively. Regarding the liability to dismantle and restore the land where solar and wind farms are located to its original condition, as at 31 December 2022, the provisions amount to 264,762 thousand Euros. Additionally, the provision to dismantle the Trillo nuclear power plant amounts to 42,525 thousand Euros (see notes 2 n) and 36).

Environmental income recognised in 2022 relates to the sale of environmental waste of 7,015 thousand Euros (31 December 2021: 2,495 thousand Euros) and the sale of by-products of 1,101 thousand Euros (31 December 2021: 116 thousand Euros).

49. Business combinations

Sunseap Group

EDP Renováveis, S.A (EDPR) entered in November 2021 into an agreement with BPIN Investment Company Limited (owner of 47% of shares), Mr. Frank Phuan and Mr. Lawrence Wu (as the "Founder Shareholders" and owners of 14% of shares), and the additional selling shareholders (owners of 36% of shares) for the acquisition of up to 91.4% of the shares of Sunseap Group Pte.Ltd which holds a portfolio including of close to 10 GW of renewable projects at different stages of development. The agreement also includes the acquisition of the subscription rights granted to some shareholders and employees of the company by EDPR and the new issuance of those shares to be paid by EDPR.

The completion of this transaction was subject to customary conditions precedent that were completed in February 2022. EDPR acquired 91.4% of the mentioned Group for a total consideration of 659,658 thousand Euros. This transaction is considered under the scope of IFRS 3 - Business combinations.

Upon completion of the agreement, Sunseap Group Pte.Ltd performed a capital increase which was subscribed solely by EDP Renováveis, S.A and lead to EDP Renováveis, S.A holding 92.28% of the total stake of the acquired company. The amount of the capital increase was not considered within the consideration transferred for the business combination. Additionally, EDPR holds call options to acquire the remaining stake of the capital of the Sunseap Group and the sellers have put options to sell their shares.

Considering the principles of IFRS 3 Business Combinations and in order to follow consistently the Group's policy in similar situations, EDPR recognized in the Consolidated Financial Statements the put option as a liability, measured at fair value at the date of acquisition (IAS 32), and following the premises stated for the anticipated-acquisition method, would recognize 100% of investment in the Consolidated Financial Statements. This transaction will not give rise to any Non-Controlling Interests (NCI), since EDPR has acquired the 92.28% of Sunseap Group and has assumed an anticipated acquisition of the remaining 7.72% due to the put option over NCI. The exercise price for these options has been determined in an amount equal to 56,442 thousand Euros (see note 39).

The Group used the financial statements as at 28 February 2022 of the company acquired, to determine pre-acquisition balance sheet and results, and, consequently, the companies have been consolidated from that date following the full consolidation method. Thus, this acquisition has contributed to the consolidated financial statements with Revenues, mainly from energy sales, in the approximate amount of 108,763 thousand Euros and with a Net profit in the approximate amount of 224 thousand Euros, referring to the ten-month period ended at 31 December 2022. If this acquisition had occurred in the beginning of the exercise, it would have contributed to the consolidated financial statements with revenues, mainly from energy sales, in the approximate amount of 121,430 thousand Euros and with a Net loss for the period in the approximate amount of 7,623 thousand Euros, referring to the twelve-month period ended at 31 December 2022.

At the acquisition date, EDPR Group has determined the fair value of the assets acquired and liabilities assumed, with the assistance of a specialized and independent firm. The valuation methodology utilized has been the Multi-Excess Earning Method (MEEM) and the discounted cashflow approach. This valuation methodology assumes that the kind of assets to be valued normally generates cash flows in combination with other tangible and intangible assets and therefore consists in deducting the estimated cost of the use of other assets, such as PP&E or working capital, from the estimated cash flows associated to the asset to be valued. The main components of cashflow, namely production, long term power prices and operational costs were estimated using EDPR's own methodology using historical data and experience assessing investments of similar solar PV projects in EDR's portfolio. These internal assumptions used in the preparation of the cashflows of the portfolio have been challenged by the specialized firm. The after tax cash flows were then discounted at the weighted average cost of capital within a range of 6.3-10.8% (blended), that has been calculated by the firm, reflecting the risks of the specific countries and adjusted for the profile of each project. Such valuation has determined a fair value of the net assets acquired in the amount of 296,173 thousand Euros.

Fair values of identifiable assets and liabilities at the acquisition date are presented as follows:

Thousand Euros	Book value at acquisition date	Fair value adjustment	Fair value at acquisition date
Assets			
Property, plant and equipment	409,589	110,932	520,521
Right-of-use assets	39,000	-	39,000
Intangible assets	422	113,295	113,717
Goodwill	2,159	-2,159	-
Investments in joint ventures and associates	9,111	14,842	23,953
Deferred tax assets	9,908	-	9,908
Other debtors and other assets	145,038	-	145,038
Cash and cash equivalents	127,576	-	127,576
Total Assets	742,803	236,910	979,713
Liabilities			
Financial Debt	264,172	-	264,172
Provisions	6,163	-	6,163
Deferred tax liabilities	1,836	38,836	40,672
Other liabilities and other payables	334,547	-	334,547
Total liabilities	606,718	38,836	645,554
Net Assets	136,085	198,074	334,159
Non-controlling interests			-37,986
Net assets acquired at fair value			296,173
Acquisition cost			659,658
Goodwill			363,485

The aforementioned Sunseap's group valuation has determined a fair value for Property, plant and equipment in the amount of 520,521 thousand Euros, generating a fair value adjustment of 110,932 thousand Euros corresponding to the permits, licenses and concessions and an associated deferred tax liability in the amount of 21.472 thousand Euros (see note 16 and 24). Furthermore, the valuation has determined a fair value for Intangible assets in the amount of 113,717 thousand Euros, generating a fair value adjustment of 113,295 thousand Euros corresponding to the power purchase agreements and feed-in-tariffs of the whole portfolio and an associated deferred tax liability in the amount of 17,378 thousand Euros (see note 18).

The purchase price allocation exercise carried out in accordance with IFRS 3 resulted in a goodwill recognition in the amount of 363,485 thousand Euros, as per the difference of the net assets acquired at fair value and the consideration transferred for the acquisition of the shares.

The aforementioned goodwill recognition resulting from the purchase price allocation, is mainly attributable to EDPR's establishment in the APAC platform within the context of EDP Business plan 2021-2025, allowing EDPR to establish a portfolio for the APAC region of close to 10 GW of solar projects, of which 563 MW operating and under construction, and an experienced team of more than 600 employees spread across 9 markets, providing a growth platform for the region.

Xuan Thien

EDP Renováveis, S.A. (EDPR), through its subsidiary Sunseap Commercial & Industrial Assets (Vietnam) Co., Ltd. entered in 2022 into an agreement with Xuan Thien Group for the acquisition of 99,99% of the shares of Xuan Thien Ninh Thuan JSC and Xuan Thien Thuan Vac JSC, each of one holding a PV project totalling 200 MWac (255MWdc) (see note 6). The completion of this transaction was subject to customary conditions precedent that were completed in 7 September 2022. The total consideration for this transaction was 202,298 thousand Euros (213,030 thousand USD) which includes an amount of 41,288 thousand Euros that corresponds to the retentions that, in accordance with the sale and purchase agreement, will be paid when certain milestones related to financing, module damages repairs and land use rights are fulfilled (see note 39). This transaction is considered under the scope of IFRS 3 - Business combinations.

The Group used the financial statements as at 7 September 2022 of the companies acquired, to determine pre-acquisition balance sheet and results, and, consequently, the companies have been consolidated from that date following the full consolidation method. Thus, this acquisition has contributed to the Consolidated Financial Statements with Revenues, mainly from energy sales, in the approximate amount of 9,319 thousand Euros and with a Net profit in the approximate amount of 1,819 thousand Euros, referring to the four months period ended at 31 December 2022. If this acquisition had occurred in the beginning of the exercise, it would have contributed to the consolidated financial statements with revenues, mainly from energy sales, in the approximate amount of 33,225 thousand Euros and with a Net profit for the period in the approximate amount of 8.985 thousand Euros, referring to the twelve-month period ended at 31 December 2022.

At the acquisition date, EDPR Group has determined the fair value of the assets acquired and liabilities assumed, with the assistance of a specialized and independent firm. The valuation methodology utilized has been the Multi-Period Excess Earning Method (MEEM) and the discounted cashflow approach. This valuation methodology assumes that the kind of assets to be valued normally generates cash flows in combination with other tangible and intangible assets and therefore consists in deducting the estimated cost of the use of other assets, such as PP&E or working capital, from the estimated cash flows associated to the asset to be valued. The main assumptions of cashflow, namely production, long term power prices and operational costs were estimated using EDPR's own methodology using historical data and experience assessing investments of similar solar assets in EDPR's portfolio. These internal assumptions used in the preparation of the cashflows of the portfolio have been challenged by the specialized firm. The after tax cash flows were then discounted at the weighted average cost of capital, that has been calculated by the firm, reflecting the risk of the country and adjusted for the profile of the projects. Such valuation has determined a fair value of the net assets acquired in the amount of 181,062 thousand Euros.

Fair value of identifiable assets and liabilities at the acquisition date is presented as follows:

Thousand Euros	Book value at acquisition date	Fair value adjustment	Fair value at acquisition date
Assets			
Property, plant and equipment	171,487	26,754	198,241
Intangible assets	-	85,476	85,476
Deferred tax assets	-	237	237
Other debtors and other assets	18,064	-16	18,048
Cash and cash equivalents	314	-	314
Total Assets	189,865	112,451	302,316
Liabilities			
Financial Debt	102,777	-	102,777
Provisions	2,303	-	2,303
Deferred tax liabilities	-	8,497	8,497
Other liabilities and other payables	4,522	3,155	7,677
Total liabilities	109,602	11,652	121,254
Net Assets	80,263	100,799	181,062
Net assets acquired at fair value			181,062
Acquisition cost			202,298
Goodwill			21,236

The aforementioned Xuan Thien's projects valuation has determined a fair value for Property, plant and equipment in the amount of 198,241 thousand Euros, generating a fair value adjustment of 26,754 thousand Euros corresponding to the permits, licenses and concessions (PLCs) and an associated deferred tax liability in the amount of 2,026 thousand Euros (see note 16 and 24). Furthermore, the valuation has determined a fair value for Intangible assets in the amount of 85,476 thousand Euros, which equals the amount of the fair value adjustment corresponding to the power purchase agreements that these companies have in place and an associated deferred tax liability in the amount of 6,471 thousand Euros.

The purchase price allocation exercise carried out in accordance with IFRS 3 resulted in goodwill recognition in the amount of 21,236 thousand Euros, as per the difference of the net assets acquired at fair value and the consideration transferred for the acquisition of the shares.

The aforementioned goodwill recognition resulting from the purchase price allocation, which is identified according to what is indicated in note 2.A, is mainly attributable to EDPR doubling its operational capacity in Vietnam, strengthening its presence in the APAC region, a market where it entered in 2021 and has been since reinforced with the integration of Sunseap in February 2022.

Kronos Group

In the third quarter, EDP Renewables Europe, S.L.U. entered into an agreement with Summercourt Capital GmbH (owner of 85% of the shares) and Bohne-Vermögensverwaltungs-GmbH (owner of 15% of the shares) to acquire a 66,80% stake of Kronos Solar Projects GmbH which holds a solar generation portfolio of 9,4GW under development located in Germany, Netherlands, France and UK (see note 6). The completion of this transaction was subject to customary conditions precedent which were completed in 5 October 2022.

Subsequently, Kronos Solar Projects GmbH carried out a capital increase which was fully subscribed by EDP Renewables Europe, S.L.U., thus increasing the total stake in the acquired company to 70% and assumed the anticipated acquisition of the remaining 30% due to the put option on the Non Controlling Interest. The value of the capital increase was not considered in the amount transferred for the business combination. Thus, the total acquisition value of this shareholding amounted to 663,030 thousand Euros, of which the amount of 341,995 thousand Euros corresponds to the estimated value for exercising the agreed put options and the amount of 71,035 thousand Euros relating to the estimate of success fees to be paid to the sellers (see note 39). This transaction is considered under the scope of IFRS 3 – Business Combinations.

The Group used the financial statements as at 30 September 2022 of the acquired companies, to determine pre-acquisition balance sheet and results, and, consequently, the companies have been consolidated from that date following the full consolidation method and equity method when applicable. Thus, this acquisition has contributed to the consolidated financial statements with no revenues since none of the projects of the portfolio are operating and no sales of projects have occurred during the period and with a Net loss in the approximate amount of 438 thousand Euros, referring to the four-month period ended at 31 December 2022. If this acquisition had occurred in the beginning of the exercise, it would have contributed to the consolidated financial statements with no revenues since none of the projects of the portfolio are operating and no sales of projects have occurred during the year and with a Net loss in the approximate amount of 1,176 thousand Euros, referring to the twelve month period ended at 31 December 2022.

Fair value of identifiable assets and liabilities at the acquisition date is presented as follows:

Thousand Euros	Book value at acquisition date	Fair value adjustment	Fair value at acquisition date
Assets			
Property, plant and equipment	4,871	-	4,871
Intangible assets	3,331	-	3,331
Other debtors and other assets	2,045	-	2,045
Cash and cash equivalents	13,423	-	13,423
Total Assets	23,670	-	23,670
Liabilities			
Provisions	493	-	493
Deferred tax liabilities	151	-	151
Other liabilities and other payables	11,565	-	11,565
Total liabilities	12,209	-	12,209
Net Assets	11,461	-	11,461
Non-controlling interests			88
Net assets acquired at fair value			11,373
Acquisition cost			663,030
Goodwill			651,657

At the acquisition date, EDPR Group has determined internally the fair value of the assets acquired and liabilities assumed. Since the portfolio acquired is still in an early stage of development EDPR has taken a cautious approach and has not allocated any value to specific assets, hence the difference amounting to 651,657 thousand Euros between the consideration transferred and the net assets acquired has been allocated to goodwill.

The aforementioned goodwill recognition resulting from the purchase price allocation, which is identified as provisional according to what is indicated in note 2.A, is mainly attributable to the opportunity of entrance in new regions for EDPR (namely Netherlands and Germany), which benefit from ambitious renewables targets given the increased importance of security of supply and energy independence coupled with government initiatives such as the “Easter Package” in Germany that stands out with ambitious renewables capacity targets, with 360 GW of renewable installed capacity until 2030. In that sense almost 50% of the acquired solar development portfolio is located in Germany. Another element to consider within the goodwill is the well-proven know-how and track record of Kronos’s team with 1,4 GW developed through 80 successfully installed projects in 9 countries. Finally, this acquisition is considered to be highly complementary with EDPR geographical current set up, not only allowing the entrance in Germany and Netherlands, but also scaling presence in France and the UK with a fully solar focused business.

Longroad

EDPR through its subsidiary, EDPR NA Distributed Generation, LLC, entered into an agreement in April 2022 to acquire 100% of the equity interests in eighty four companies owning an aggregate nameplate capacity of 99.3 MW of operating solar plants located throughout the US. The acquisition of these companies has been structured in 8 different transactions (tranches) which are independent from each other. However, given that the seller is the same, the assets have same nature and risks and are all located in the same geography, the Group has opted to present all these transactions aggregated in the same note, grouping the assets and liabilities acquired depending on whether the transaction has generated goodwill or badwill. The completion of this transaction was subject to certain conditions precedent, which were specific for each acquired company, necessitated multiple closings of discrete asset groups in separate tranches.

With the aforementioned conditions precedent fulfilled, EDPR acquired the aforementioned 100% equity interests in 84 companies in four tranches, each of which is considered under the scope of IFRS 3 – Business combinations, for the following cash consideration:

Closing Date	Projects acquired	Purchase Price thousand Euros	Capacity (MW dc)
19 April 2022 (1)	7	16,659	6.46
9 August 2022 (2)	3	248	1.82
9 August 2022 (1)	6	3,522	10.65
9 August 2022 (1)	2	2,623	1.22
3 October 2022 (2)	7	38,257	24.19
3 October 2022 (2)	18	22,867	16.93
9 December 2022 (3)	11	3,661	5.94
9 December 2022 (3)	30	45,155	32.09
	<u>84</u>	<u>132,992</u>	<u>99.3</u>

(1) acquisitions which generated goodwill

(2) acquisitions which generated badwill

(3) acquisitions which the purchase price allocation has not yet been finalized

The Group used the financial statements as at each respective closing date to determine pre-acquisition results and, consequently, the companies and their operations have been consolidated since that date. The profit and loss and statement of cash flows reflect the activity of these project companies from the respective date of closing presented in the table above.

If these acquisitions had occurred at the beginning of 2022, these would have contributed to the consolidated financial statements with Revenues, mainly from energy and environmental attribute (REC) sales, in the approximate amount of 14,244 thousand Euros (15,000 thousand USD) and with Net income for the period in the approximate amount of 2,279 thousand Euros (2,400 thousand USD), referring to the twelve-month period ended at 31 December 2022.

At the acquisition dates for each respective tranche, the Group has determined the fair values of the assets acquired and liabilities assumed, based on valuations performed by a third party. The valuation methodology utilized was a discounted cashflow approach, where cash flows for each project were forecasted for the remaining life of the assets. The main components of cashflow, namely production, long term power prices and operational costs were estimated using EDPR’s own methodology using historical data of the assets provided by the seller. The after tax cash flows were then discounted at the weighted average cost of capital of 8.25% reflecting the risk of the debt and equity financing components adjusted for the contracted profile of each project. Lastly to the aggregate value of the portfolio, adjustments were made for one-off items, other balance sheet assets or liabilities and synergies, to reach the final equity valuation.

Such valuation has determined a fair value of the net assets acquired in the amount of 77,372 thousand Euros. Inputs and assumptions included in the valuation models relied upon the use of significant estimates including market energy pricing curves, federal income tax rates and other present value factors.

Fair values of identifiable assets and liabilities at the acquisition dates for tranches resulting in goodwill from the transaction are presented as follows:

Thousand Euros	Book value at acquisition date	Fair value adjustment	Fair value at acquisition date
Assets			
Property, plant and equipment	41,506	-	41,506
Intangible assets	-	11,570	11,570
Other debtors and other assets	3,800	-	3,800
Cash and cash equivalents	129	-	129
Total Assets	45,435	11,570	57,005
Liabilities			
Provisions	4,416	-3,702	714
Institutional partnerships in US	2,821	-212	2,609
Other liabilities and other payables	37	-	37
Total liabilities	7,274	-3,914	3,360
Net Assets	38,161	15,484	53,645
Net assets acquired at fair value			53,645
Acquisition cost			61,372
Goodwill			7,727

The purchase price allocation exercise carried out in accordance with IFRS 3 resulted as a Goodwill recognition in the amount of 7,727 thousand Euros, as per the difference of the net assets acquired at fair value and the consideration transferred for the acquisition of the shares of these projects. This goodwill is mainly attributable to the acquisition of above-market power purchase agreements.

Fair values of identifiable assets and liabilities at the acquisition dates for tranches resulting in badwill from the transaction are presented as follows:

Thousand Euros	Book value at acquisition date	Fair value adjustment	Fair value at acquisition date
Assets			
Property, plant and equipment	29,273	-	29,273
Intangible assets	-	9,097	9,097
Other debtors and other assets	3,516	-	3,516
Cash and cash equivalents	1,662	-	1,662
Total Assets	34,451	9,097	43,548
Liabilities			
Provisions	1,639	-1,280	359
Institutional partnerships in US	22,071	-2,900	19,171
Other liabilities and other payables	291	-	291
Total liabilities	24,001	-4,180	19,821
Net Assets	10,450	13,277	23,727
Net assets acquired at fair value			23,727
Acquisition cost			22,804
Badwill			-923

The purchase price allocation carried out in accordance with IFRS 3 resulted in a badwill recognition in the amount of 923 thousand Euros.

Additionally, the purchase price allocation has not yet been finalized for the projects acquired on 9 December 2022. The book value of the net assets of these projects at the acquisition date amounted to 27,578 thousand Euros, with goodwill having been recognized in these transactions in amounting to 21,238 thousand Euros (see note 19).

EDP Goiás

On 14 October 2021, EDP Energias do Brasil S.A. won the public auction for 100% of the equity shares of Celg Transmissão S.A.. Following this auction, on 7 February 2022, EDP – Energias do Brasil acquired 99.99% of Celg Transmissão S.A., later renamed EDP Transmissão Goiás S.A., for an amount of 2,114 million Brazilian Reals (375 million Euros). This transaction is considered under the scope of IFRS 3 – Business combinations (see note 6).

EDP Goiás has a portfolio of 755 km of transmission network and operates 14 substations, predominantly through the Brazilian State of Goiás, with three contracted concessions until 2043, 2045 and 2046. This transaction reinforces EDP Brasil's growth cycle, with an emphasis on the distribution and transmission segments.

The Group used the financial statements as at 31 January 2022 of the company, to determine pre-acquisition balance sheet and results, and, consequently, has consolidated from that date onward using the full consolidation method. Thus, this acquisition has contributed to the Consolidated Financial Statements with Revenues, mainly Revenue from assets assigned to concessions, in the approximate amount of 70,241 thousand Euros and with a Net profit in the approximate amount of 14,497 thousand Euros, referring to the eleven-month period ended at 31 December 2022. If this acquisition had occurred in the beginning of the exercise, it would have contributed to the consolidated financial statements with Revenues, mainly Revenue from assets assigned to concessions, in the approximate amount of 75,465 thousand Euros and with a Net profit for the period in the approximate amount of 15.985 thousand Euros, referring to the twelve-month period ended at 31 December 2022.

With reference to the acquisition date, the book value of net assets in this portfolio amounted to 1,071 million Brazilian Reais (170 million Euros), and an external evaluation determined the allocation of its fair value, which resulted, essentially, in the recognition of a concession right (see note 18). The evaluation methodology used was the Multi Period Excess Earning ("MEEM").

Thousand Euros	Book value at acquisition date	Fair value adjustment	Fair value at acquisition date
Assets			
Intangible assets	284	193,728	194,012
Investment property	10,066	-2,027	8,039
Debtors and other assets from commercial activities	209,761	-	209,761
Other debtors and other assets	3,519	-	3,519
Cash and cash equivalents	30,799	-	30,799
Total Assets	254,429	191,701	446,130
Liabilities			
Financial debt	15,044	-	15,044
Provisions	1,948	-	1,948
Deferred tax liabilities	41,329	-	41,329
Other liabilities and other payables	7,802	-	7,802
Tax liabilities	18,578	-	18,578
Total liabilities	84,701	-	84,701
Net Assets	169,728	191,701	361,429
Non-controlling interests (0,01%)			-24
Net assets acquired at fair value			361,405
Acquisition cost			374,861
Exchange Difference			13,456
Goodwill			-

50. Investigation process about CMEC and DPH

Following the enactment of an EU legislation package regarding the construction of the Internal Energy Market, aimed at, among others, promoting the liberalization of the electricity sector, the existence of long-term Power Purchase Agreements ("Contratos de Produção de Energia" – CAE), and the Portuguese legal framework involving a "single buyer", ceased to be compatible with EU law.

Accordingly, Decree-Law no. 240/2004, of 27 December, was enacted in the context of the liberalization of the Portuguese energy sector, establishing the early termination of the CAEs entered into in 1996 and, at the same time, approving the methodology to be used in accomplishing said termination, as well as the compensation due to energy producers in that respect.

This methodology was subjected to the European Commission's (EC) prior approval, expressed in the Decision concerning State aid N161/2004, which deemed it effective and strictly necessary. Additionally, the enactment of the aforementioned Decree-Law by the Portuguese Government was object of a legislative authorization, granted by the Portuguese Parliament.

In that context, and according to the approved methodology, EDP and REN – Rede Eléctrica Nacional, S.A. (REN) signed the CAE early termination agreements in 2005, their entry into force having taken place on 1 July 2007, after being amended earlier that same year. Both termination agreements were ratified by the member of the Portuguese Government responsible for the energy sector.

Pursuant to the provisions of the 2005 CAE termination agreements, on 8 March 2008 the Portuguese Government, REN and EDP Produção entered into a number of concession agreements formalizing EDP's right of use over the Public Hydro Domain ("Domínio Público Hídrico" – DPH) until the end of the operational life of the hydroelectric plants subject to the so-called Costs for the Maintenance of the Contractual Balance mechanism ("Custos de Manutenção do Equilíbrio Contratual" – CMEC). Decree-Law 226-A/2007, of 31 May, introduced a new obligation to EDP, unforeseen in the 2004 legislation or in the 2005 termination agreements, which consisted in the payment by EDP of an amount concerning the "economic and financial balance" of each power plant. Pursuant to this legal framework, and following assessments carried out by two independent financial institutions appointed by the Government, EDP Produção was ordered to pay EUR 759 million, as consideration for the extension of its right of use over the DPH. This included approximately EUR 55 million due for the Hydro Resources Tax.

In 2012, the EC and Portuguese authorities (the Central Department of Criminal Investigation and Prosecution, a part of the Public Prosecutor's Office – "Departamento Central de Investigação e Ação Penal", DCIAP) received complaints regarding (i) the methodology adopted for the early termination of the CAEs and the implementation of the CMEC mechanism and; (ii) EDP's right of use over the DPH.

So far as the complaint received by the EC is concerned, this institution addressed a clarification request to the Portuguese Government over the early termination of the CAEs, and its replacement by the CMEC framework.

The EC decided, in September 2013, that the compensation attributed to EDP Produção in the context of the early termination of the CAEs did not exceed the amount required to reimburse the investment costs meant to be recovered throughout the operational life of the assets in question. Furthermore, it certified that the execution of the CMEC framework respected the terms that were notified to the EC, and approved, in 2004. Accordingly, the EC has at this stage concluded its investigation regarding the early termination of the CAEs. Having found no evidence of non-compliance with the framework in force in Portugal (approved by the EC itself in 2004) or at the EU level, it decided not to pursue an in-depth investigation on the matter.

Simultaneously, in September 2013, the EC decided to undertake an in-depth investigation exclusively in respect of the right of use over the DPH matter.

These in-depth investigation proceedings over EDP's right of use over the DPH were formally concluded in May 2017, with the EC having decided that the consideration paid by EDP was in line with market conditions. It further concluded that the financial methodology followed to determine the price to be paid by EDP for the right of use over the DPH was appropriate and resulted in a fair market price, expressly adding that the accusations that such price (759 million euros) had been underappreciated were baseless, and resulted from an inaccurate financial calculation methodology.

In 2 June 2017, EDP was made aware of the investigation being carried out by the DCIAP since 2012 regarding the amounts due to EDP for the early termination of the CAEs and the right of use over the DPH. On that date, the authorities carried out a search in EDP's offices, as well as REN's (as network operator) and a consultant. At that time, DCIAP informed, by way of a public press release, that investigations were ongoing, and the alleged facts could amount to active and passive corruption, and economic participation in business deals. The DCIAP further informed, in said press release, that some members of EDP's Executive Board of Directors, as well as former directors who executed the relevant agreements, were suspects in that investigation.

On 6 July 2020, a measure of constraint to suspend the exercise of functions in EDP's Executive Board of Directors was proposed by the Public Prosecutor's Office, and applied by the court, to António Mexia and João Manso Neto (then Chairman and member of the board, respectively), while the investigation remained in the inquiry stage. On the same day, the General and Supervisory Board and the Executive Board of Directors resolved to appoint then Chief Financial Officer Miguel Stilwell de Andrade as interim Chairman, for the duration of the impediment of the current Chairman of the Executive Board of Directors, in addition to his functions at the time.

On 13 July 2020, and as in due course disclosed to the market (https://www.edp.com/sites/default/files/2020-07/20200713_Notifica%C3%A7%C3%A3o%20do%20DCIAP_EN_0.pdf), EDP was notified by the Portuguese Authorities to appoint a legal representative to appear at the DCIAP for questioning and constitution of EDP as defendant, for the facts related to the hiring by EDP Group of the father of the then Secretary of State Artur Trindade. Such diligence has already occurred and EDP was named as a defendant in the context of such judicial procedure and is now waiting for further developments of the procedure.

On 30 November 2020, and as communicated to the market on that same date, EDP received formal notices of both suspended members of the Executive Board of Directors, informing of their unavailability to be re-appointed to serve in EDP's corporate bodies for the 2021–2023 term of office.

On 19 January 2021, an Extraordinary General Shareholders' Meeting was held, and a new management team was appointed to the Executive Board of Directors, for the 2021–2023 triennium.

EDP reaffirms that no irregularities exist regarding the matters at hand and believes the amounts due by the early termination of the CAEs and the proceedings regarding the DPH, in particular the amounts paid, were fair and according to market conditions.

EDP remains determined in the pursuit of its corporate purpose and in the fulfilment of its clients, shareholders, employees, and remaining stakeholders' highest expectations. EDP is committed to the accomplishment of its strategic goals, and no impact to its consolidated financial statements is expected to arise as a consequence of the above.

Regarding the judicial procedure, it is still under investigation and till the present date there are no relevant developments regarding the reason that uphold EDP as a defendant.

51. Operating segments

In accordance with IFRS 8, an operating segment is a Group component:

- (i) that engages in business activities from which it may earn revenues and incur expenses;
- (ii) whose operating results are reviewed regularly by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- (iii) for which discrete financial information is available.

The Group develops a set of regulated and liberalised activities in the energy sector, with special emphasis in generation, distribution and supply of electricity.

The Executive Board of Directors regularly reviews segmental reports, using Operating Profit to assess and release each business operating performance, as well as to allocate resources.

The Renewables segment corresponds to the activity of generation of electricity from renewable sources, mainly hydro, wind and solar. This segment includes, but not limited to, the following companies:

- EDP – Gestão da Produção de Energia, S.A. (hydro activity);
- EDP España, S.A.U. (hydro activity);
- EDP Renováveis, S.A. and all subsidiaries of the EDPR Group;
- Enerpeixe, S.A.;
- Investco, S.A.;
- Lajeado Energia, S.A.

The Networks segment corresponds to the activities of electricity distribution and transmission. This segment includes, but not limited to, the following companies:

- E-Redes – Distribuição de Eletricidade, S.A.;
- Electra de Llobregat Energía, S.L.;
- Hidrocontábrico Distribucion Eléctrica, S.A.U.;
- Viesgo Distribución Eléctrica, S.L.;
- Barras Eléctricas Galaico-Asturias, S.A.;
- EDP Espírito Santo Distribuição de Energia S.A.;
- EDP São Paulo Distribuição de Energia S.A.;
- EDP Transmissão, S.A.;
- EDP Transmissão Aliança SC, S.A.;
- EDP Transmissão SP-MG, S.A.

The Client Solutions & Energy Management segment includes the following activities: generation of electricity from non-renewable sources, mainly coal and gas; electricity and gas supply, including last resort suppliers and related energy solutions services to clients; and energy management businesses responsible for management of purchases and sales of energy in Iberian and Brazilian markets, and also for the related hedging transactions. This segment includes, but not limited to, the following companies:

- EDP – Gestão da Produção de Energia, S.A. (thermal activity);
- EDP España, S.A.U. (thermal and intermediation activities);
- UNGE – Unidade de Negócio de Gestão de Energia Ibérica (EDP, S.A.);
- Porto do Pecem Geração de Energia, S.A.;
- EDP Comercial – Comercialização de Energia, S.A.;
- EDP Trading Comercialização e Serviços de Energia, S.A.;
- SU Eletricidade, S.A.;
- EDP Gás Serviço Universal, S.A.

Segment Definition

The amounts reported in each operating segment result from the aggregation of the subsidiaries and business units defined in each segment perimeter and the elimination of transactions between companies of the same segment.

The statement of financial position captions of each subsidiary and business unit, as well as income statement captions for each operating segment, are determined based on the amounts booked directly in the companies that compose the segment, including the elimination of balances between companies of the same segment, and excluding the allocation in the segments of the adjustments between segments.

In each business segment, Assets include the Property, Plant and Equipment, Right-of-use assets, Intangible Assets and Goodwill. The remaining assets are presented in the "Reconciliation of information between Operating Segments and Financial Statements".

Under IFRS 8, the EDP Group discloses as Operating investment, additions in non-current assets, except for financial instruments, deferred tax assets and post-employment benefit assets. Therefore, in each business segment, the Operating Investment caption includes increases in Property, Plant and Equipment; Intangible Assets and Amounts receivable from concessions – IFRIC 12 under the financial asset model, excluding CO2 licenses, net of increases in Government grants, customers contributions for investment and sales of properties in the period. Goodwill is disclosed in note 19.

In consolidated financial statements, Joint Ventures and associated companies are accounted under the equity method, in accordance with the Group accounting policy disclose in note 2. These equity accounted investees are disclosed by business segment under IFRS 8 and presented in the business segment correspondent to its operating activity.

EDP Group Operating Segments Information as at 31 December 2022

Thousand Euros	Renewables	Networks	Client Solutions & Energy Management	Total Segments
Revenues from energy sales and services and other				
Revenues inter-segments	3,646,510	4,054,001	17,080,255	24,780,766
Revenues from third parties	1,726,916	2,498,813	-83,173	4,142,556
	1,919,594	1,555,188	17,163,428	20,638,210
Gross Profit	2,640,428	2,348,777	1,136,160	6,125,365
Other income	786,561	75,354	30,027	891,942
Supplies and services	-484,296	-364,496	-333,957	-1,182,749
Personnel costs and employee benefits	-285,808	-202,921	-151,271	-640,000
Other costs	-316,330	-323,523	-161,594	-801,447
Impairment losses on trade receivables and debtors	-2,550	-27,810	-29,876	-60,236
Joint ventures and associates	189,579	318	-3,456	186,441
Gross Operating Profit	2,527,584	1,505,699	486,033	4,519,316
Provisions	6,194	-2,038	-16,832	-12,676
Amortisation and impairment	-935,093	-519,270	-484,241	-1,938,604
Operating Profit	1,598,685	984,391	-15,040	2,568,036
Assets	26,863,102	6,374,655	1,753,779	34,991,536
Financial assets – Investments in joint ventures and associates	1,429,902	248	11,154	1,441,304
Operating Investment	3,485,499	837,889	164,866	4,488,254

Reconciliation of information between Operating Segments and Financial Statements for 31 December 2022

Thousand Euros	
Total Revenues from energy sales and services and other of Reported Segments	24,780,766
Revenues from energy sales and services and others from Other Segments	262,292
Adjustments and Inter-segments eliminations*	-4,392,294
Total Revenues from energy sales and services and other of EDP Group	20,650,764
Total Gross Profit of Reported Segments	6,125,365
Gross Profit from Other Segments	260,865
Adjustments and Inter-segments eliminations*	-265,179
Total Gross Profit of EDP Group	6,121,051
Total Gross Operating Profit of Reported Segments	4,519,316
Gross Operating Profit from Other Segments	25,870
Adjustments and Inter-segments eliminations*	-21,647
Total Gross Operating Profit of EDP Group	4,523,539
Total Operating Profit of Reported Segments	2,568,036
Operating Profit from Other Segments	-26,656
Adjustments and Inter-segments eliminations*	-11,387
Total Operating Profit of EDP Group	2,529,993
Total Assets of Reported Segments	34,991,536
Assets Not Allocated	23,220,360
Financial Assets	5,271,624
Trade Receivables and Other Debtors	8,660,346
Inventories	1,256,300
Tax Assets	2,708,492
Other Assets	5,323,598
Assets from Other Segments	649,050
Inter-segments assets eliminations*	-44,535
Total Assets of EDP Group	58,816,411
Total Equity accounted Investments in joint ventures and associates of Reported Segments	1,441,304
Equity accounted Investments in joint ventures and associates from Other Segments	164,439
Total Equity accounted Investments in joint ventures and associates of EDP Group	1,605,743
Total Operating Investment of Reported Segments	4,488,254
Operating Investment from Other Segments	70,033
Total Operating Investment of EDP Group	4,558,287
Dismantling/discommission of PP&E	9,841
Emission of CO2 Licenses	467,690
Concession Rights - IFRIC 12 **	-624,732
Investment Grants	-5,877
Other Investments	30,566
Total Fixed Assets additions of EDP Group (Notes 16 and 18)	4,435,775

	Total of Reported Segments	Other Segments	Adjustments and Inter-segments eliminations*	Total of EDP Group
Other income	891,942	59,339	-23,831	927,450
Supplies and services	-1,182,749	-180,940	260,021	-1,103,668
Personnel costs and employee benefits	-640,000	-133,244	2,444	-770,800
Other costs	-801,447	-32,735	4,458	-829,724
Impairment losses on trade receivables and debtors	-60,236	37	-	-60,199
Equity method in joint ventures and associates	186,441	52,548	440	239,429
Provisions	-12,676	-1,863	-	-14,539
Amortisation and impairment	-1,938,604	-50,663	10,260	-1,979,007

* Mainly related with intragroup balances and transactions eliminations.

** See Note 26 - Debtors and Other Assets from Commercial Activities

EDP Group Operating Segments Information as at 31 December 2021 *

Thousand Euros	Renewables	Networks	Client Solutions & Energy Management	Total Segments
Revenues from energy sales and services and other				
Revenues inter-segments	2,845,315	3,947,159	11,294,666	18,087,140
Revenues from third parties	1,493,549	1,772,116	-144,309	3,121,356
	1,351,766	2,175,043	11,438,975	14,965,784
Gross Profit	2,245,402	2,070,887	594,823	4,911,112
Other income	856,810	109,693	38,504	1,005,007
Supplies and services	-379,295	-324,133	-249,578	-953,006
Personnel costs and employee benefits	-217,149	-202,214	-127,249	-546,612
Other costs	-258,634	-308,113	-142,394	-709,141
Impairment losses on trade receivables and debtors	380	-19,258	-13,926	-32,804
Joint ventures and associates	46,292	256	22,103	68,651
Gross Operating Profit	2,293,807	1,327,118	122,283	3,743,208
Provisions	-49,843	-7,145	-1,506	-58,494
Amortisation and impairment	-787,402	-483,824	-424,230	-1,695,456
Operating Profit	1,456,561	836,148	-303,453	1,989,256
Assets	21,653,930	6,162,596	2,131,237	29,947,763
Financial assets - Investments in joint ventures and associates Assets	1,084,193	190	15,677	1,100,060
Operating Investment	2,559,932	749,314	100,291	3,409,537

* Includes restatement originated by changing the classification of the Social Tariff Costs as described in note 2a)

Reconciliation of information between Operating Segments and Financial Statements for 31 December 2021**

Thousand Euros	
Total Revenues from energy sales and services and others of Reported Segments	18,087,140
Revenues from energy sales and services and others from Other Segments	236,881
Adjustments and Inter-segments eliminations*	-3,341,112
Total Revenues from energy sales and services and others of EDP Group	14,982,909
Total Gross Profit of Reported Segments	4,911,112
Gross Profit from Other Segments	235,344
Adjustments and Inter-segments eliminations*	-239,294
Total Gross Profit of EDP Group	4,907,162
Total Gross Operating Profit of Reported Segments	3,743,208
Gross Operating Profit from Other Segments *	993
Adjustments and Inter-segments eliminations*	-21,151
Total Gross Operating Profit of EDP Group	3,723,050
Total Operating Profit of Reported Segments	1,989,256
Operating Profit from Other Segments	-47,629
Adjustments and Inter-segments eliminations*	-10,842
Total Operating Profit of EDP Group	1,930,785
Total Assets of Reported Segments	29,947,763
Assets Not Allocated	20,400,557
Financial Assets	4,163,217
Trade Receivables and Other Debtors	8,596,510
Inventories	733,381
Tax Assets	2,234,780
Other Assets	4,672,669
Assets from Other Segments	703,191
Inter-segments assets eliminations*	-57,359
Total Assets of EDP Group	50,994,152
Total Equity accounted Investments in joint ventures and associates of Reported Segments	1,100,060
Equity accounted Investments in joint ventures and associates from Other Segments	250,385
Total Equity accounted Investments in joint ventures and associates of EDP Group	1,350,445
Total Operating Investment of Reported Segments	3,409,537
Operating Investment from Other Segments	83,342
Total Operating Investment of EDP Group	3,492,879
Discomission of Property, plant and equipment	29,525
Emission of CO2 Licenses	417,399
Concession Rights - IFRIC 12 **	-588,620
Investment Grants	-132
Other Investments	50,434
Total Fixed Assets additions of EDP Group	3,401,485

	Total of Reported Segments	Other Segments	Adjustments and Inter-segments eliminations*	Total of EDP Group
Other income	1,005,007	40,654	-21,673	1,023,988
Supplies and services	-953,006	-164,092	228,144	-888,954
Personnel costs and employee benefits	-546,612	-123,350	3,503	-666,459
Other costs	-709,141	-26,993	8,169	-727,965
Impairment losses on trade receivables and debtors	-32,804	-25	1	-32,828
Joint ventures and associates	68,651	39,455	-	108,106
Provisions	-58,494	-2,016	-	-60,510
Amortisation and impairment	-1,695,456	-46,606	10,307	-1,731,755

* Mainly related with intragroup balances and transactions eliminations

** Includes restatement originated by changing social tariff costs and green certificates as described in note 2a)

52. Reconciliation of Changes in the responsibilities of Financing activities at 31 December 2022

Thousand Euros	Group					
	Financial debt and Derivative financial instruments (including Collateral Deposits)			Institutional partnerships in North America (Note 37)	Lease Liabilities (Note 39)	Loans from non-controlling interests (Note 39)
	Loans obtained (Note 34)	Collateral Deposits (Note 34)	Derivative financial instruments (Note 42)*			
Balance as at 31 de December 2020	16,286,763	-32,069	-129,593	1,933,542	1,055,678	590,424
Cash flows:						
Receipts relating to financial debt (including Collateral Deposits)	3,080,716	-	-	-	-	-
(Payments) relating to financial debt (including Collateral Deposits)	-2,630,334	-19,183	-	-	-	-
Interest and similar costs of financial debt including hedge derivatives	-471,489	-	-9,840	-	-	-
Receipts/(payments) relating to loans from non-controlling interests	-	-	-	-	-	-53,679
Interest and similar costs relating to loans from non-controlling interests	-	-	-	-	-	-18,244
Receipts/(payments) relating to derivative financial instruments	-	-	10,317	-	-	-
Receipts/(payments) from institutional partnerships	-	-	-	692,164	-	-
Lease (payments)	-	-	-	-	-98,772	-
Perimeter variations	-167,448	1,551	1,426	-413,306	-144,155	-65,017
Exchange differences	348,143	-374	1,050	168,318	51,456	1,955
Fair value changes	-67,036	-	112,293	-	-	-
Interests and accrued and deferred costs	455,897	-	16,853	9,369	-	17,318
Unwinding	-	-	-	79,023	39,510	-
ITC/PTC recognition	-	-	-	-177,205	-	-
Change in Benefits Recognition	-	-	-	-32,164	-	-
New lease contracts/Increments in rent values	-	-	-	-	158,285	-
Reclassification to Liabilities held for sale	-17,276	-	-103	-	-12,554	-2
Balance as at 31 de December 2021	16,817,936	-50,075	2,403	2,259,741	1,049,448	472,755
Cash flows:						
Receipts relating to financial debt (including Collateral Deposits)	4,449,800	-985	-	-	-	-
(Payments) relating to financial debt (including Collateral Deposits)	-1,583,281	-	-	-	-	-
Interest and similar costs of financial debt including hedge derivatives	-679,413	-	-37,041	-	-	-
Receipts/(payments) relating to loans from non-controlling interests	-	-	-	-	-	205,145
Interest and similar costs relating to loans from non-controlling interests	-	-	-	-	-	-12,885
Receipts/(payments) relating to derivative financial instruments	-	-	21,017	-	-	-
Receipts/(payments) from institutional partnerships	-	-	-	-77,385	-	-
Lease (payments)	-	-	-	-	-133,696	-
Perimeter variations	88,952	2,252	-49,060	24,892	538	-25
Exchange differences	357,553	-4,293	72,089	144,123	38,978	-1,717
Fair value changes	-89,546	-	48,673	-	-	-
Interests and accrued and deferred costs	660,472	-	101,165	-2,659	-	13,676
Unwinding	-	-	-	96,955	46,146	-
ITC/PTC recognition	-	-	-	-233,505	-	-
New lease contracts/Increments in rent values	-	-	-	-	386,378	-
Balance as at 31 December 2022	20,022,473	-53,101	159,246	2,212,162	1,387,792	676,949

* The Group considers as financing activities all derivative financial instruments excluding derivatives related with commodities.

Thousand Euros	Company			
	Financial debt and Derivative financial instruments		Lease Liabilities (Note 39)	Group companies (Note 39)
	Loans obtained (Note 34)	Derivative financial instruments (Note 42)*		
Balance as at 31 de December 2020	11,483,572	-4,456	161,972	3,873
Cash flows:				
Receipts relating to financial debt (including Collateral Deposits)	2,452,048	-	-	-
(Payments) relating to financial debt (including Collateral Deposits)	-2,068,048	-	-	-
Interest and similar costs of financial debt including hedge derivatives	-218,264	-16,935	-	-
Receipts/(payments) relating to loans from related parties	1,159,901	-	-	-3,873
Receipts/(payments) relating to derivative financial instruments	-	20,585	-	-
Lease (payments)	-	-	-12,502	-
Exchange differences	17,001	-	-	-
Fair value changes	-	-39,886	-	-
Unwinding	-	-	4,948	-
Interests and accrued and deferred costs	208,089	21,332	-	3,630
New lease contracts/Increments in rent values	-	-	1,936	-
Balance as at 31 December 2021	13,034,299	-19,360	156,354	3,830
Cash flows:				
Receipts relating to financial debt (including Collateral Deposits)	2,634,236	-	-	-
(Payments) relating to financial debt (including Collateral Deposits)	-1,594,679	-	-	-
Interest and similar costs of financial debt including hedge derivatives	-209,000	-20,046	-	-
Receipts/(payments) relating to loans from related parties	-152,879	-	-	-3,630
Receipts/(payments) relating to derivative financial instruments	-	121,013	-	-
Lease (payments)	-	-	-12,625	-
Exchange differences	23,289	-	-	-
Fair value changes	-	-78,886	-	-
Unwinding	-	-	5,876	-
Interests and accrued and deferred costs	208,436	12,826	-	3,857
New lease contracts/Increments in rent values	-	-	2,726	-
Balance as at 31 December 2022	13,943,702	15,547	152,331	3,857

* The Group considers as financing activities all derivative financial instruments excluding derivatives related with commodities.

53. Explanation Added for Translation

These financial statements are a free translation of the financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancies, the Portuguese language version prevails.

Annex I. Companies in the Consolidation Perimeter

The subsidiary companies where the Group exercises control as at 31 December 2022 are as follows:

Subsidiaries	Head Office	Share capital / Currency	Assets 31-Dec-22 Euro'000	Liabilities 31-Dec-22 Euro'000	Equity 31-Dec-22 Euro'000	Revenues 31-Dec-22 Euro'000	Net Profit/(Loss) 31-Dec-22 Euro'000	% Group	% Company
Group's parent holding company and Related Activities:									
Portugal:									
EDP - Energias de Portugal, S.A. (EDP Group parent holding company)	Lisbon	3,965,681,012 EUR	29,922,362	21,639,043	8,283,319	9,084,227	848,565		
CNET - Centre for New Energy Technologies, S.A.	Sacavém	300,000 EUR	4,456	4,065	401	515	43	60.00%	
EDP Estudos e Consultoria, S.A.	Lisbon	50,000 EUR	3,175	129	3,047	83	-17	100.00%	100.00%
EDP Global Solutions - Gestão Integrada de Serviços S.A.	Lisbon	15,000,000 EUR	148,794	58,938	89,856	59,254	2,368	100.00%	100.00%
EDP Inovação, S.A.	Lisbon	50,000 EUR	61,893	60,498	1,395	8,562	-1,479	100.00%	100.00%
EDP Internacional, S.A.	Lisbon	12,500,000 EUR	25,757	1,191	24,566	1,149	-31	100.00%	100.00%
EDP IS - Investimentos e Serviços, Sociedade Unipessoal, Lda	Lisbon	140,309,500 EUR	451,315	120,357	330,958	-	55,144	100.00%	
EDP Ventures - Sociedade de capital de risco, S.A.	Lisbon	125,000 EUR	1,062	54	1,008	128	45	100.00%	
EDP Ventures, S.A.	Lisbon	50,000 EUR	78,304	43,800	34,503	15	-3,477	100.00%	
Fundo EDP CleanTech FCR	Lisbon	19,895,723 EUR	22,933	295	22,638	-	5,941	60.00%	
LABELEC - Estudos, Desenvolvimento e Actividades Laboratoriais, S.A.	Sacavém	2,200,000 EUR	24,966	14,341	10,625	18,124	1,405	100.00%	100.00%
Szvida - Medicina Apoiada, S.A.	Lisbon	450,000 EUR	19,367	9,434	9,933	22,780	1,609	100.00%	100.00%
Other Countries:									
EDP - Ásia Soluções Energéticas Limitada	Macao	1,500,000 MOP	1,622	23	1,599	-	-485	100.00%	5.00%
EDP Finance BV	Amsterdam	2,000,000 EUR	11,939,090	11,817,341	121,749	-	-6,431	100.00%	100.00%
EDP International Investments and Services, S.L.	Oviedo	9,116 EUR	1,339,097	126,128	1,212,969	-	62,380	100.00%	100.00%
EDP Servicios Financieros España, S.A.U.	Oviedo	10,300,058 EUR	4,057,309	3,554,047	503,262	-	42,363	100.00%	100.00%
Energia RE - Sociedade Cativa de Resseguro	Luxembourg	3,000,000 EUR	144,228	75,082	69,146	3	5,052	100.00%	100.00%
Electricity and Gas Activity - Portugal:									
Electricity Generation:									
EDP Gestão Produção Energia, S.A.	Lisbon	2,723,792,240 EUR	6,262,322	2,582,351	3,679,970	2,374,308	-140,099	100.00%	100.00%
Empresa Hidroeléctrica do Guadiana, S.A.	Lisbon	62,597,300 EUR	370,308	256,211	114,097	168,108	13,115	100.00%	
FISGEN - Empresa de Cogeração, S.A.	Lisbon	50,000 EUR	35,695	27,617	8,078	63,387	2,444	51.00%	
Greenvauog - Sociedade Gestora do Aproveitamento Hidroeléctrico de Ribeirão-Ermida, S.A.	Lisbon	1,000,000 EUR	234,410	179,585	54,846	15,596	4,329	100.00%	
Sociedade Agro Pecuária da Sobreira de Baixa, Lda.	Pedregão do Alentejo	90,000 EUR	484	807	-322	-	-	100.00%	0.00%
TERGEN - Operação e Manutenção de Centrais Termoeléctricas, S.A.	Carregado	250,000 EUR	4,434	3,043	1,391	6,575	13	100.00%	
Electricity Distribution:									
E-Redes - Distribuição de Electricidade, S.A.	Lisbon	300,000,000 EUR	3,893,399	2,720,899	1,172,500	1,343,158	129,930	100.00%	100.00%
Electricity Supply:									
EDP Comercial - Comercialização de Energia, S.A.	Lisbon	64,500,005 EUR	1,166,173	902,109	264,064	3,559,012	134,802	100.00%	100.00%
EDP Mediadora, S.A.	Lisbon	50,000 EUR	6,967	1,372	7,616	3,165	1,948	100.00%	
Efficiency, S.A.	Lisbon	128,132 EUR	3,501	1,025	2,477	1,438	71	96.86%	
SU Electricidade, S.A.	Lisbon	10,110,110 EUR	2,255,974	2,162,627	93,347	3,721,590	7,656	100.00%	100.00%
Gas Supply:									
EDP Gás Serviço Universal, S.A.	Oporto	1,050,996 EUR	12,593	3,864	8,729	11,535	-23	100.00%	100.00%
Other activities:									
EDP GEM Portugal, S.A.	Lisbon	50,000 EUR	903,462	917,992	-14,530	1,837,700	-70,570	100.00%	100.00%
Electricity and Gas Activity - Spain:									
Electricity Generation:									
EDP España, S.A.U. (HC Energia Subgroup Parent Company)	Oviedo	4,217,339,790 EUR	3,873,283	1,205,313	2,667,970	3,905,560	384,498	100.00%	100.00%
Biomasa Puente Nuevo S.L.U.	Oviedo	3,000 EUR	2	5	-2	-	-5	100.00%	
Central Termica Ciclo Combinado Grupo 4, S.L.	Oviedo	2,117,000 EUR	170,082	105,750	64,332	624,742	16,256	100.00%	100.00%
Ceprastur, A.I.E.	Oviedo	360,607 EUR	293	6	287	-	-	100.00%	
Generaciones Eléctricas Andalucia, S.L.U.	Oviedo	25,000,000 EUR	381,118	290,583	90,535	484,798	42,691	100.00%	100.00%
H2 Aboño, S.A.U.	Oviedo	1,000,000 EUR	1,000	-	1,000	-	-	100.00%	
H2 Los Barrios, S.A.U.	Oviedo	1,000,000 EUR	1,003	14	989	-	-11	100.00%	
H2 Soto, S.A.U.	Oviedo	1,000,000 EUR	1,000	-	1,000	-	-	100.00%	
IBERENERGIA, SAU	Oviedo	60,200 EUR	245,416	178,899	66,517	77,815	23,886	100.00%	
Electricity Distribution:									
Barras Eléctricas Galatico-Asturianas, S.A.	Lugo	15,689,797 EUR	383,426	244,594	138,832	60,798	30,091	75.05%	
EDP Redes España, S.L.U.	Oviedo	10,000,000 EUR	2,510,609	2,399,730	110,879	-	-82,176	75.10%	
Electricity Supply:									
Comercializadora Energética Sostenible, S.A.	Bilbao	60,000 EUR	114	38	76	353	-5	100.00%	
EDP Clientes, S.A.	Oviedo	1,000,000 EUR	1,352,712	1,972,500	-619,788	2,369,352	-163,017	100.00%	
EDP Energia Iberica, S.A.	Oviedo	60,200 EUR	53	12,979	-12,927	-	-2	100.00%	
EDP Solar España, S.A.	Oviedo	1,000,000 EUR	92,825	94,659	-1,833	75,969	-6,485	100.00%	
Other activities:									
EDP GEM España, S.A.	Oviedo	1,000,000 EUR	1,441	278	1,162	33	92	100.00%	
EDP Iberia, S.L.	Bilbao	130,260,000 EUR	1,463,666	159,347	1,304,320	-	15,099	100.00%	
EDP Ventures España, S.A.	Oviedo	60,000 EUR	253	203	50	-	-7	100.00%	
Transporte GNL, S.A.	Bilbao	1,000,000 EUR	143,971	136,112	7,859	718,21	5,565	100.00%	
Viesgo Infraestructuras Energéticas, S.L.	Santander	147,195,418 EUR	582,925	167,199	415,725	52,483	198,902	75.10%	
Electricity and Gas Activity - Other Countries:									
Electricity Supply:									
EDP Energia Italia S.R.L.	Milan	3,610,000 EUR	80,148	80,635	-486	116,024	-4,321	100.00%	
EDP Energia Polska	Warsaw	8,505,000 PLN	62,171	63,230	-1,059	16,342	-7,681	100.00%	
EDP Energie France	Paris	10,000 EUR	136	143	-7	-	-21	100.00%	
Enertel Group S.r.l.	Verona	200,000 EUR	18,166	16,404	1,762	34,620	906	100.00%	
SOON Energy Polska sp z o.o.	Warsaw	100,000 PLN	17,140	14,855	2,285	14,958	1,634	100.00%	
Yauco F22-H416 Vorrats-GmbH	Frankfurt am Main	25,000 EUR	23	-	23	-	-3	100.00%	
Zielona-Energia.com	Czestochowa	2,170,000 PLN	9,469	5,690	3,779	1,496	-487	100.00%	
Electricity Activity - Brazil:									
Parent company and Related Activities:									
EDP Energias do Brasil, S.A. (EDP Brasil Subgroup Parent Company)	São Paulo	5,502,715,947 BRL	2,119,391	210,519	1,908,873	809	189,383	57.55%	
Electricity Generation:									
Enerpeixe, S.A.	São Paulo	219,735,967 BRL	309,500	193,426	116,074	57,931	-2,074	34.53%	
Investco, S.A.	Tocantins	804,458,843 BRL	225,174	53,438	171,737	40,622	20,287	23.47%	
Lajeado Energia, S.A.	São Paulo	6,867,541 BRL	246,890	130,963	115,937	137,862	58,055	32.15%	
PCH Santa Leopoldina S.A.	Espirito Santo	244,710,000 BRL	416,570	383,451	33,119	-	-10,686	57.55%	
Porto do Pecém Geração de Energia, S.A.	Ceará	2,368,996,621 BRL	659,302	302,873	356,428	255,662	-119,821	57.55%	
Resende Engenharia e Assessoria, Ltda.	São Paulo	21,573,318 BRL	3,763	9	3,754	-	-3	57.55%	
Electricity Distribution:									
EDP Espírito Santo Distribuição de Energia S.A.	Espirito Santo	650,572,403 BRL	1,097,801	853,851	243,951	917,219	102,587	57.55%	
EDP São Paulo Distribuição de Energia S.A.	São Paulo	596,689,107 BRL	1,172,207	995,462	176,745	1,046,269	96,117	57.55%	
Electricity Supply:									
EDP Smart SPÉ Ltda.	São Paulo	141,011,252 BRL	28,200	2,864	25,336	7,641	1,320	57.55%	
EDP Smart Energia, Ltda	São Paulo	20,556,000 BRL	129,609	119,277	10,332	58,260	4,289	57.55%	
EDP Smart Serviços, S.A.	Espirito Santo	412,786,011 BRL	137,186	83,057	54,129	24,282	-6,394	57.55%	
EDP Smart Soluções, S.A.	Rio Grande do Sul	124,072,773 BRL	23,257	9,275	13,982	11,310	-5,582	57.55%	

Subsidiaries	Head Office	Share capital / Currency	Assets 31-Dec-22 Euro'000	Liabilities 31-Dec-22 Euro'000	Equity 31-Dec-22 Euro'000	Revenues 31-Dec-22 Euro'000	Net Profit/(Loss) 31-Dec-22 Euro'000	% Group	% Company
EDP Smart SPE V Ltda.	São Paulo	13,541,069 BRL	8,796	6,140	2,655	406	51	57.55%	
EDP Trading Comercialização e Serviços de Energia, S.A.	São Paulo	221,679,595 BRL	634,888	565,896	68,992	606,136	10,249	57.55%	
Energia Solar I SPE LTDA.	Espirito Santo	1,203,819 BRL	372	359	13	-	-30	57.55%	
Energia Solar II SPE LTDA.	Espirito Santo	- BRL	-	-	-	-	-	57.55%	
Nova Geração Solar LTDA.	São Paulo	2,538,124 BRL	510	485	25	-	-38	57.55%	
Transmission of Electricity:									
EDP Transmissão Aliança SC, S.A.	Espirito Santo	340,500,999 BRL	448,281	345,987	102,294	63,260	16,051	51.80%	
EDP Transmissão Goiás S.A.	Zaragoza	328,750,229 BRL	324,264	116,427	207,837	69,714	31,553	57.55%	
EDP Transmissão Litoral Sul S.A.	São Paulo	310,755,430 BRL	69,982	15,269	54,714	21,688	4,048	57.55%	
EDP Transmissão Norte S.A.	Espirito Santo	20,951,000 BRL	27,015	23,687	3,327	24,513	-381	57.55%	
EDP Transmissão SP-MG, S.A.	Espirito Santo	33,000,999 BRL	485,508	414,689	70,819	92,238	27,227	57.55%	
ENERGIA ISPE S.A.	Espirito Santo	- BRL	-	-	-	-	-	57.55%	
ENERGIA SPE I S.A.	Espirito Santo	- BRL	-	-	-	-	-	57.55%	
Mata Grande Transmissora de Energia LTDA.	Paraná	17,529,870 BRL	21,554	19,672	1,882	6,852	-405	57.55%	
Other Activities:									
EDP Ventures Brasil S.A.	São Paulo	40,656,475 BRL	7,157	1,095	6,062	-	-653	57.55%	
Renewable Energy Activity:									
Parent company and Related Activities:									
EDP Renováveis, S.A. (EDP Renováveis Subgroup Parent Company)	Oviedo	4,802,790,810 EUR	11,465,826	3,776,118	7,689,708	71,625	-219,537	74.98%	74.98%
EDP Renováveis Serviços Financeiros, S.A.	Oviedo	84,691,368 EUR	7,672,189	7,006,663	665,525	31,967	173,095	74.98%	
Europe Geography / Platform:									
Spain:									
EDP Renovables Europa, S.L.U. (EDPR EU Subgroup Parent Company)	Oviedo	249,498,800 EUR	4,493,625	3,036,676	1,456,949	92,031	-238,483	74.98%	
Acampo Arios, S.L.	Zaragoza	3,314,300 EUR	49,049	33,487	15,562	19,249	11,665	71.23%	
Aplicaciones Industriales de Energías Limpias, S.L.	Zaragoza	131,288 EUR	1,577	37	1,540	-	2,881	46.11%	
Camerde, S.L.U.	Madrid	4,000 EUR	129	129	-	-	-3	59.98%	
Compañía Eólica Aragonesa, S.A.	Zaragoza	6,701,165 EUR	174,258	29,869	144,389	55,783	32,259	74.98%	
Desarrollos Eólicos de Teruel, S.L.	Zaragoza	18,890,100 EUR	71,956	46,766	25,190	11,146	6,300	38.24%	
Desarrollos Renovables de Allande, S.L.U.	Madrid	3,000 EUR	3	2	1	-	-	74.98%	
Desarrollos Renovables de la Frontera, S.L.	Jerez de la Frontera	3,000 EUR	3	1	2	-	-	74.98%	
Desarrollos Renovables de Teruel, S.L.	Teruel	3,000 EUR	3	2	2	-	-1	38.24%	
EDP Renovables España, S.L.U.	Oviedo	48,128,100 EUR	1,773,369	649,551	1,123,818	434,222	315,222	74.98%	
EDPR México, S.L.U.	Oviedo	3,000 EUR	1	-	1	-	-1	74.98%	
EDPR Terral S.L.U.	Madrid	3,000 EUR	506	507	-1	-	-2	74.98%	
EDPR Yield, S.A.U.	Oviedo	99,405,403 EUR	247,652	5,030	242,622	-	27,501	74.98%	
Eólica Arlanzón, S.A.	Madrid	4,508,980 EUR	17,621	3,786	13,835	11,630	6,450	63.73%	
Eólica Campollano, S.A.	Madrid	6,559,994 EUR	55,979	9,926	46,053	38,916	23,163	56.23%	
Eólica Fontesilva, S.L.U.	La Coruña	6,860,000 EUR	39,125	10,644	28,481	14,863	7,609	74.98%	
Eólica La Bruñeta, S.A.U.	Madrid	3,294,000 EUR	50,403	12,224	38,178	27,354	15,937	74.98%	
IAM Coecius, S.L.	Madrid	3,000 EUR	1	-	1	-	-	74.98%	
Iberia Aprovechamientos Eólicos, S.A.	Zaragoza	1,918,728 EUR	18,771	6,114	12,657	11,810	6,931	70.48%	
Palma Hive, S.L.	Madrid	3,000 EUR	1,073	686	387	-	-	74.98%	
Parque Eólico Altos del Volcayo, S.A.	Madrid	6,434,349 EUR	49,739	30,992	18,747	19,632	12,290	69.35%	
Parque Eólico de Abrozadilla, S.L.U.	Madrid	3,000 EUR	-	-	-	-	-	74.98%	
Parque Eólico La Sotonera, S.L.	Zaragoza	2,000,000 EUR	11,716	3,648	8,069	7,560	4,366	52.36%	
Parque Eólico Los Cantales, S.L.U.	Zaragoza	1,963,050 EUR	17,174	5,101	12,073	9,904	5,681	74.98%	
Parque Eólico Santa Quiteria, S.L.	Zaragoza	63,008 EUR	16,391	3,241	13,150	10,893	6,282	62.95%	
Padregal Hive, S.L.	Madrid	3,000 EUR	664	246	418	-	9	74.98%	
Renovables Castilla La Mancha, S.A.	Madrid	60,102 EUR	25,161	15,879	9,283	15,600	9,196	67.48%	
Rocio Hive, S.L.	Madrid	3,000 EUR	2,406	2,234	172	-	59	74.98%	
Site Sunwind Energy, S.L.	Madrid	3,000 EUR	1	-	1	-	-	74.98%	
Tébar Eólica, S.A.U.	Madrid	4,720,400 EUR	29,951	5,457	24,494	14,648	8,895	74.98%	
Viesgo Europa, S.L.U.	Oviedo	1,000,000 EUR	74,533	23,866	50,667	12,745	42,331	74.98%	
Viesgo Mantenimiento, S.L.U.	Cantabria	3,050 EUR	1,231	20	1,211	281	-243	74.98%	
Viesgo Renovables, S.L.U.	Oviedo	12,769,690 EUR	398,438	103,120	295,318	88,358	57,117	74.98%	
Portugal:									
EDP Renovables SGPS, S.A.	Oporto	50,000 EUR	351,400	4,498	346,902	-	2,326	74.98%	
EDP Renováveis Portugal, S.A.	Oporto	7,500,000 EUR	441,105	257,172	183,933	137,012	58,008	38.24%	
EDPR Cross Solutions, S.A.	Oporto	50,000 EUR	597	584	13	811	-37	74.98%	
EDPR PT - Parques Eólicos, S.A.	Oporto	50,000 EUR	94,066	45,813	48,253	3	11,280	38.24%	
EDPR PT - Promoção e Operação, S.A.	Oporto	57,500 EUR	43,817	36,600	7,217	16,364	-4,768	74.98%	
Eólica da Coutada, S.A.	Soutelo de Aguiar	50,000 EUR	141,029	72,021	69,008	28,138	10,622	38.24%	
Eólica da Coutada II, S.A.	Oporto	50,000 EUR	14,823	16	14	-	-34	74.98%	
Eólica da Serra das Alturas, S.A.	Boticas	50,000 EUR	11,688	2,549	9,139	3,380	1,733	19.16%	
Eólica da Terra do Mato, S.A.	Oporto	50,000 EUR	39,872	24,686	15,205	7,854	2,548	38.24%	
Eólica das Serros das Beiras, S.A.	Piódão - Arganil	50,000 EUR	88,268	37,435	50,834	20,804	8,659	38.24%	
Eólica de Alagoa, S.A.	Arcos de Valdevez	50,000 EUR	7,542	1,356	6,186	2,934	2,546	22.94%	
Eólica de Montenegro, S.A.	Vila Pouca de Aguiar	50,000 EUR	16,384	3,891	14,493	5,985	2,973	19.16%	
Eólica do Alto da Lagoa, S.A.	Oporto	50,000 EUR	19,509	5,778	13,731	5,021	2,083	38.24%	
Eólica do Alto da Teixeira, S.A.	Alhès	50,000 EUR	24,542	11,053	13,488	6,162	2,646	38.24%	
Eólica do Alto do Mourisco, S.A.	Cerdado	50,000 EUR	21,429	9,693	11,736	5,100	2,225	38.24%	
Eólica do Espigão, S.A.	Vila Nova CMV	50,000 EUR	24,790	7,558	17,232	7,306	3,468	38.24%	
Eólica dos Altos de Salgueiros-Guilhado, S.A.	Vila Pouca de Aguiar	50,000 EUR	10,415	5,045	5,370	2,259	872	38.24%	
Fotovoltaica Flutuante do Grande Lago, S.A.	Oporto	50,000 EUR	2,127	1,325	802	-	-93	74.98%	
Fotovoltaica Late A, S.A.	Oporto	50,000 EUR	97,847	97,715	132	-	108	74.98%	
IE2 Portugal, SGPS, S.A.	Oporto	50,000 EUR	112	66	46	-	-21	74.98%	
Matadizes - Energia Eólica, S.A.	Oporto	50,000 EUR	16,698	7,882	10,816	5,009	1,923	38.24%	
Parque Eólico do Barlavento, S.A.	Oporto	60,000 EUR	53,052	13,280	39,772	14,266	7,713	67.46%	
S.E.E. - Sul Energia Eólica, S.A.	Oporto	150,000 EUR	9,650	796	8,854	2,921	1,997	74.98%	
France:									
EDPR France Holding, S.A.S.	Paris	79,900,000 EUR	390,316	285,206	105,110	36,002	-10,201	74.98%	
Eoles Montjean, S.A.S.	Paris	849,351 EUR	1,126	278	849	-	-1	74.98%	
Fransol 11, S.A.S.	Boulogne-Billancourt	1 EUR	2	13	-11	-	-1	63.73%	
Fransol 12, S.A.S.	Boulogne-Billancourt	1 EUR	5	29	-24	-	-9	63.73%	
Fransol 13, S.A.S.	Boulogne-Billancourt	1 EUR	4	24	-20	-	-	63.73%	
Fransol 14, S.A.S.	Boulogne-Billancourt	1 EUR	837	843	-6	-	28	63.73%	
Fransol 15, S.A.S.	Boulogne-Billancourt	1 EUR	6	41	-35	-	-1	63.73%	
Fransol 16, S.A.S.	Boulogne-Billancourt	1 EUR	9	57	-47	-	-14	63.73%	
Fransol 17, S.A.S.	Boulogne-Billancourt	1 EUR	3	18	-15	-	-5	63.73%	
Fransol 18, S.A.S.	Boulogne-Billancourt	1 EUR	5	29	-24	-	-2	63.73%	
Fransol 19, S.A.S.	Boulogne-Billancourt	1 EUR	3	16	-13	-	-	63.73%	
Fransol 20, S.A.S.	Boulogne-Billancourt	1 EUR	18	77	-59	-	-9	63.73%	
Fransol 21, S.A.S.	Boulogne-Billancourt	1 EUR	8	50	-42	-	1	63.73%	
Fransol 22, S.A.S.	Boulogne-Billancourt	1 EUR	1	5	-4	-	-	63.73%	
Fransol 23, S.A.S.	Boulogne-Billancourt	1 EUR	2	13	-11	-	-	63.73%	
Fransol 24, S.A.S.	Boulogne-Billancourt	1 EUR	7	40	-33	-	-20	63.73%	
Fransol 25, S.A.S.	Boulogne-Billancourt	1 EUR	4	25	-21	-	-7	63.73%	
Fransol 26, S.A.S.	Boulogne-Billancourt	1 EUR	3	16	-13	-	-	63.73%	
Fransol 27, S.A.S.	Boulogne-Billancourt	1 EUR	15	89	-74	-	-9	63.73%	
Fransol 28, S.A.S.	Boulogne-Billancourt	1 EUR	9	57	-47	-	-29	63.73%	
Fransol 29, S.A.S.	Boulogne-Billancourt	1 EUR	3	16	-13	-	-	63.73%	
Fransol 30, S.A.S.	Boulogne-Billancourt	1 EUR	3	26	-23	-	-5	63.73%	
Fransol 31, S.A.S.	Boulogne-Billancourt	1 EUR	3	20	-16	-	-5	63.73%	
Fransol 32, S.A.S.	Boulogne-Billancourt	1 EUR	4	22	-18	-	-13	63.73%	
Fransol 33, S.A.S.	Boulogne-Billancourt	1 EUR	2	12	-10	-	-7	63.73%	

Subsidiaries	Head Office	Share capital / Currency	Assets 31-Dec-22 Euro'000	Liabilities 31-Dec-22 Euro'000	Equity 31-Dec-22 Euro'000	Revenues 31-Dec-22 Euro'000	Net Profit/(Loss) 31-Dec-22 Euro'000	% Group	% Company
Fransol 34, S.A.S.	Boulogne-Billancourt	1EUR	5	28	-23	-	-16	63.73%	
Fransol 35, S.A.S.	Boulogne-Billancourt	1EUR	2	12	-10	-	-3	63.73%	
Fransol 36, S.A.S.	Boulogne-Billancourt	1EUR	2	14	-12	-	-7	63.73%	
Fransol 37, S.A.S.	Boulogne-Billancourt	1EUR	5	31	-25	-	-12	63.73%	
Fransol 38, S.A.S.	Boulogne-Billancourt	1EUR	1	8	-7	-	-	63.73%	
Fransol 39, S.A.S.	Boulogne-Billancourt	1EUR	3	16	-13	-	-	63.73%	
Fransol 40, S.A.S.	Boulogne-Billancourt	1EUR	2	12	-10	-	-	63.73%	
Fransol 41, S.A.S.	Boulogne-Billancourt	1EUR	-	2	-1	-	-	63.73%	
Fransol 42, S.A.S.	Boulogne-Billancourt	1EUR	1	5	-4	-	-3	63.73%	
Fransol 43, S.A.S.	Boulogne-Billancourt	1EUR	-	2	-1	-	-	63.73%	
Fransol 44, S.A.S.	Boulogne-Billancourt	1EUR	-	2	-1	-	-	63.73%	
Fransol 45, S.A.S.	Boulogne-Billancourt	1EUR	2	11	-9	-	-	63.73%	
Fransol 46, S.A.S.	Boulogne-Billancourt	1EUR	-	2	-1	-	-	63.73%	
Fransol 47, S.A.S.	Boulogne-Billancourt	1EUR	-	2	-1	-	-	63.73%	
Fransol 48, S.A.S.	Boulogne-Billancourt	1EUR	-	2	-1	-	-	63.73%	
Fransol 49, S.A.S.	Boulogne-Billancourt	1EUR	-	2	-1	-	-	63.73%	
Fransol 50, S.A.S.	Boulogne-Billancourt	1EUR	-	2	-1	-	-	63.73%	
Kronos IB Vogt 15, S.A.S.	Saint-Louis	1EUR	98	107	-9	-	-2	63.73%	
Kronos IB Vogt 16, S.A.S.	Saint-Louis	1EUR	22	30	-8	-	-2	63.73%	
Kronos IB Vogt 18, S.A.S.	Saint-Louis	1EUR	150	165	-14	-	-5	63.73%	
Kronos IB Vogt 19, S.A.S.	Saint-Louis	1EUR	12	19	-7	-	-2	63.73%	
Kronos IB Vogt 20, S.A.S.	Saint-Louis	1EUR	46	56	-9	-	-2	63.73%	
Kronos IB Vogt 22, S.A.S.	Saint-Louis	1EUR	74	82	-8	-	-2	63.73%	
Kronos IB Vogt 25, S.A.S.	Saint-Louis	1EUR	55	63	-8	-	-2	63.73%	
Kronos Solar France, S.A.S.	Boulogne-Billancourt	20,000EUR	646	560	86	-	-31	74.98%	
Kronosol 11, S.A.R.L.	Saint-Louis	1EUR	11	70	-59	-	-8	63.73%	
Kronosol 12, S.A.R.L.	Saint-Louis	1EUR	58	63	-5	-	28	63.73%	
Kronosol 13, S.A.R.L.	Saint-Louis	1EUR	709	718	-10	-	-2	63.73%	
Kronosol 14, S.A.R.L.	Saint-Louis	1EUR	2,704	2,724	-21	-	-6	63.73%	
Kronosol 15, S.A.R.L.	Saint-Louis	1EUR	232	257	-25	-	30	63.73%	
Le Chemin de la Corvée, S.A.S.	Paris	215,000EUR	4,403	4,916	-513	-	-263	74.98%	
Monts de la Madeleine Energie, S.A.S.	Paris	88,000EUR	1,502	1,476	25	-	-16	74.98%	
Monts du Forez Energie, S.A.S.	Paris	200,000EUR	1,453	1,359	95	-	-16	74.98%	
Parc Éolien d'Entrains-sur-Nohain, S.A.S.	Paris	266,000EUR	187	5	183	-	-457	67.48%	
Parc Éolien de Dionay, S.A.S.	Paris	215,000EUR	1,935	1,851	83	-	-28	74.98%	
Transition Euroise Roman II, S.A.S.	Paris	603,000EUR	14,791	13,832	959	1,399	370	63.73%	
Vanosc Energie, S.A.S.	Paris	1,000EUR	821	835	-14	-	-11	74.98%	
Poland:									
Budzyn, Sp. z o.o.	Warsaw	5,000 PLN	5	42	-37	-	-18	38.24%	
EDP Renewables Polska HoldCo, S.A.	Warsaw	100,100 PLN	258,978	39,386	219,591	-	24,886	38.24%	
EDP Renewables Polska Solar, Sp. Z o.o.	Warsaw	5,000 PLN	22,136	23,720	-1,584	-	-1,195	74.98%	
EDP Renewables Polska, Sp. z o.o.	Warsaw	435,045,000 PLN	615,902	375,616	240,286	10,580	62,853	74.98%	
Elektrownia Kamienica, Sp. z o.o.	Warsaw	5,000 PLN	673	706	-33	-	-17	74.98%	
Elektrownia Wiatrowa Kresyl, Sp. z o.o.	Warsaw	70,210 PLN	105,078	11,990	93,088	36,417	20,879	38.24%	
EW Dobrzyca, Sp. z o.o.	Poznań	674,000 PLN	121,149	129,594	-8,445	23,403	13,345	74.98%	
Farma Fotowoltaiczna Budzyn, Sp. z o.o.	Warsaw	5,000 PLN	19	20	-1	-	-2	74.98%	
Farma Fotowoltaiczna Dobrzyca, Sp. z o.o.	Warsaw	5,000 PLN	19	20	-1	-	-2	74.98%	
Farma Fotowoltaiczna Koden, Sp. z o.o.	Warsaw	5,000 PLN	1,431	1,454	-23	-	-18	74.98%	
Farma Fotowoltaiczna Radziejów, Sp. z o.o.	Warsaw	5,000 PLN	3	9	-6	-	-7	74.98%	
Farma Fotowoltaiczna Tomaszów, Sp. z o.o.	Warsaw	5,000 PLN	2	5	-4	-	-5	74.98%	
Farma Fotowoltaiczna Ujazd, Sp. z o.o.	Warsaw	5,000 PLN	2	3	-2	-	-3	74.98%	
Farma Fotowoltaiczna Warta, Sp. z o.o.	Warsaw	5,000 PLN	2	7	-6	-	-7	74.98%	
Farma Fotowoltaiczna Wielkopolska, Sp. z o.o.	Warsaw	5,000 PLN	7	8	-1	-	-2	74.98%	
Farma Wiatrowa Starozreby, Sp. z o.o.	Warsaw	466,000 PLN	265	2	263	-	-16	74.98%	
FW Warta, Sp. z o.o.	Poznań	10,000 PLN	51,093	49,664	1,429	3,195	1,804	74.98%	
Gudziki Wind Farm, Sp. z o.o.	Warsaw	35,715,400 PLN	50,564	43,807	6,757	11,019	4,916	38.24%	
Korsze Wind Farm, Sp. z o.o.	Warsaw	35,754,000 PLN	64,833	29,885	34,947	35,457	21,034	38.24%	
Masovia Wind Farm I, Sp. z o.o.	Warsaw	1,258,000 PLN	142	215	-73	-	-49	74.98%	
Miramit Investments, Sp. z o.o.	Warsaw	55,000 PLN	454	323	131	-	-22	74.98%	
Molen Wind II, Sp. z o.o.	Warsaw	14,600 PLN	59,236	32,974	26,262	20,208	9,947	38.24%	
Neo Solar Chotków, Sp. z o.o.	Warsaw	5,000 PLN	23,049	23,297	-248	-	-220	74.98%	
Neo Solar Farm, Sp. z o.o.	Warsaw	5,000 PLN	99,238	101,021	-1,784	-	-538	74.98%	
Neo Solar Przykona II, Sp. z o.o.	Warsaw	5,000 PLN	974	1,030	-56	-	-14	74.98%	
R.Wind, Sp. z o.o.	Warsaw	6,000 PLN	701	846	-145	-	-117	74.98%	
Radziejów Wind Farm, Sp. z o.o.	Warsaw	27,605,000 PLN	29,827	23,651	6,176	8,050	2,490	38.24%	
Rampton, Sp. z o.o.	Warsaw	11,005,000 PLN	2,534	283	2,251	697	-35	74.98%	
Relax Wind Park I, Sp. z o.o.	Warsaw	46,540,000 PLN	105,605	51,832	53,773	42,250	21,631	38.24%	
Relax Wind Park III, Sp. z o.o.	Warsaw	59,603,000 PLN	236,840	198,959	37,881	40,636	16,469	38.24%	
Rowy - Karpacka Mała Energetyka, Sp. z o.o.	Warsaw	50,000 PLN	115	591	-475	-	-34	74.98%	
Ujazd, Sp. z o.o.	Poznań	3,748,400 PLN	59,711	59,920	-209	8,498	3,954	74.98%	
WF Energy III, Sp. z o.o.	Warsaw	5,000 PLN	535	542	-7	-	-13	74.98%	
Wind Field Wielkopolska, Sp. z o.o.	Poznań	605,000 PLN	122,988	161,769	-38,781	23,721	13,280	74.98%	
Romania:									
Beta Wind, S.R.L.	Bucharest	207,470 RON	5,395	467	4,928	-	-306	74.98%	
EDPR România, S.R.L.	Bucharest	1,491,259,750 RON	670,717	158,101	512,617	283,507	57,751	74.98%	
Energopark, S.R.L.	Bucharest	133,720 RON	1,777	1,885	-108	-	-292	74.98%	
Fravezac, S.R.L.	Bucharest	5,815,810 RON	1,378	836	542	-	-30	74.98%	
International Solar Energy, S.R.L.	Bucharest	200 RON	198	445	-247	-	-247	74.98%	
Solar Phoenix, S.R.L.	Bucharest	79,300 RON	314	584	-270	-	-266	74.98%	
Great Britain:									
Altnabreac Wind Farm Limited	Edinburgh	100 GBP	67	1,961	-1,894	-	-1,674	74.98%	
Ben Sca Wind Farm Limited	Edinburgh	100 GBP	2,528	3,392	-864	-	-588	74.98%	
Drummarock Wind Farm Limited	Edinburgh	100 GBP	1,163	1,829	-666	-	-400	74.98%	
KS SPV 36 Limited	Newmarket	1 GBP	167	147	20	123	4	74.98%	
KS SPV 46 Limited	Newmarket	1 GBP	-	26	-26	-	-7	74.98%	
KS SPV 65 Limited	Newmarket	1 GBP	-	22	-22	-	-15	74.98%	
KS SPV 69 Limited	Newmarket	1 GBP	-	7	-7	-	-6	74.98%	
KS SPV 70 Limited	Newmarket	1 GBP	139	161	-22	-	-21	74.98%	
KS SPV 71 Limited	Newmarket	1 GBP	61	77	-16	-	-16	74.98%	
KS SPV 72 Limited	Newmarket	1 GBP	-	10	-10	-	-11	74.98%	
KS SPV 73 Limited	Newmarket	1 GBP	-	6	-6	-	-6	74.98%	
KS SPV 74 Limited	Newmarket	1 GBP	-	6	-6	-	-6	74.98%	
KS SPV 75 Limited	Newmarket	1 GBP	4	13	-9	-	-9	74.98%	
KS SPV 76 Limited	Newmarket	1 GBP	-	5	-5	-	-5	74.98%	
KS SPV 77 Limited	Newmarket	1 GBP	-	5	-5	-	-5	74.98%	
KS SPV 78 Limited	Newmarket	1 GBP	-	5	-5	-	-5	74.98%	
KS SPV 79 Limited	Newmarket	1 GBP	-	5	-5	-	-5	74.98%	
KS SPV 80 Limited	Newmarket	1 GBP	-	5	-5	-	-5	74.98%	
Lurg Hill Wind Farm Ltd	Edinburgh	100 GBP	323	1,064	-741	-	-365	74.98%	
Moorshield Wind Farm Limited	Edinburgh	100 GBP	1,369	2,009	-640	-	-369	74.98%	
Muirake Wind Farm Ltd	Edinburgh	100 GBP	5,905	4,351	1,554	2,143	1,779	59.23%	
Vento Ludens Ltd	Edinburgh	8,000 GBP	4,710	8,096	-3,386	624	-4,418	74.98%	
Wind 2 Project 1 Limited	Edinburgh	100 GBP	1,112	1,753	-641	-	-374	74.98%	
Italy:									
AW 2, S.r.l.	Milan	100,000 EUR	24,498	19,413	5,085	10,994	5,120	56.23%	
C & C Tre Energy S.r.l.	Milan	100,000 EUR	29,735	28,890	844	-	-144	74.98%	
Custolito, S.R.L.	Milan	10,000 EUR	246	224	22	-	-2	74.98%	
EDP Renewables Italia Holding, S.R.L.	Milan	347,000 EUR	372,299	91,317	280,981	12,044	225,411	74.98%	
EDP Renewables Italia, S.R.L.	Milan	34,439,343 EUR	196,257	120,743	75,513	44,165	23,634	38.24%	

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EDPR Basilicata, S.r.l.	Milan	10,000 EUR	77	80	-3	-	-13	74.98%	
EDPR Centro Italia PV, S.r.l.	Milan	10,000 EUR	1,393	1,408	-15	-	-25	74.98%	
EDPR Puglia Due, S.r.l.	Milan	10,000 EUR	53	44	10	-	-	74.98%	
EDPR Puglia Uno, S.r.l.	Milan	10,000 EUR	10	-	10	-	-	74.98%	
EDPR Sardegna, S.r.l.	Milan	10,000 EUR	513	506	7	-	-3	74.98%	
EDPR Sicilia Due, S.r.l.	Milan	10,000 EUR	402	398	4	-	-6	74.98%	
EDPR Sicilia PV, S.R.L.	Milan	10,000 EUR	6,366	6,447	-82	-	-103	74.98%	
EDPR Sicilia Uno, S.r.l.	Milan	10,000 EUR	470	477	-7	-	-17	74.98%	
EDPR Sicilia Wind, S.r.l.	Milan	10,000 EUR	7,014	7,052	-38	-	-52	74.98%	
EDPR Sud Italia, S.r.l.	Milan	10,000 EUR	429	466	-38	-	-48	74.98%	
EDPR Villa Gallo, S.R.L.	Milan	9,000,000 EUR	105,644	32,186	73,458	45,378	12,645	38.24%	
Energia Emissioni Zero 4, S.r.l.	Naples	10,000 EUR	48,444	38,493	9,950	15,761	9,694	44.99%	
Giglio, S.r.l.	Milan	20,000 EUR	33,864	32,739	1,125	-	-24	44.99%	
Re Plus, S.R.L.	Milan	100,000 EUR	809	894	14	-	28	74.98%	
Sarve, S.r.l.	Milan	10,000 EUR	66,716	65,743	973	3,753	1,096	74.98%	
Solar Italy I, S.r.l.	Milan	10,000 EUR	7,154	6,255	899	-	-73	74.98%	
Solar Italy II, S.r.l.	Milan	10,000 EUR	4,823	4,647	176	-	-119	74.98%	
Solar Italy IV, S.r.l.	Milan	10,000 EUR	4,900	3,973	927	-	-61	74.98%	
T Power, S.p.A.	Cesena	1,000,000 EUR	1,471	120	1,351	-	13	74.98%	
Tivano, S.R.L.	Milan	100,000 EUR	21,262	17,906	3,356	7,481	3,146	56.23%	
VRG Wind 153, S.r.l.	Milan	10,000 EUR	53,747	52,276	1,470	2,545	1,108	74.98%	
Wind Energy San Giorgio, S.r.l.	Milan	20,000 EUR	47,910	47,315	595	5,892	-49	44.99%	
Greece:									
Aeolos Evias Energiaki, M.A.E.	Athens	25,000 EUR	3,470	4,105	-635	-	-660	74.98%	
Aioliki Oitis Energiaki E.P.E.	Athens	4,500 EUR	674	2,141	-1,467	-	-408	74.98%	
Aioliko Parko Fthiotidos Erimia E.P.E.	Athens	15,450 EUR	11,333	11,163	170	-	-542	74.98%	
EDPR Hellas 1 M.A.E.	Athens	1,255,000 EUR	24,208	23,799	410	-	-1,040	74.98%	
EDPR Hellas 2 M.A.E.	Athens	470,000 EUR	12,580	11,322	1,257	-	-651	74.98%	
Energiaki Arvanikou E.P.E.	Athens	1,312,380 EUR	60,467	44,190	16,278	6,375	645	74.98%	
Kadmeios Anemos Energiaki, A.E.	Athens	25,000 EUR	603	1,947	-1,344	-	-410	74.98%	
Voiotikos Anemos Energy, A.E.	Athens	25,000 EUR	890	1,428	-538	-	-403	74.98%	
Wind Park Aerorachi M.A.E.	Athens	496,020 EUR	841	3,457	-2,616	-	-1,013	74.98%	
Wind Shape E.P.E.	Athens	18,000 EUR	972	1,585	-614	-	-453	74.98%	
Germany:									
EDP Renewables Germany GmbH	Munich	25,000 EUR	22	22	-1	-	-26	74.98%	
Kronos Projektgesellschaft mbH	Munich	25,000 EUR	24	5	19	-	-6	74.98%	
Kronos Solar Projects France UG	Munich	1,000 EUR	3,604	1,864	1,740	-	-22	63.73%	
Kronos Solar Projects GmbH	Munich	27,689 EUR	64,993	14,37	63,556	606	-438	74.98%	
KSD 11 UG	Bütow	1,000 EUR	34	57	-23	-	-3	74.98%	
KSD 12 UG	Munich	1,000 EUR	220	232	-12	-	-4	74.98%	
KSD 13 UG	Munich	1,000 EUR	37	50	-13	-	-3	74.98%	
KSD 14 UG	Munich	1,000 EUR	750	763	-12	-	-5	74.98%	
KSD 15 UG	Munich	1,000 EUR	5	14	-8	-	-3	74.98%	
KSD 16 UG	Munich	1,000 EUR	20	27	-6	-	-2	74.98%	
KSD 17 UG	Munich	1,000 EUR	263	271	-8	-	-4	74.98%	
KSD 18 UG	Munich	1,000 EUR	8	14	-6	-	-2	74.98%	
KSD 19 UG	Munich	1,000 EUR	9	15	-6	-	-2	74.98%	
KSD 21 UG	Munich	1,000 EUR	8	14	-6	-	-2	74.98%	
KSD 22 UG	Munich	1,000 EUR	8	14	-6	-	-2	74.98%	
KSD 23 UG	Munich	1,000 EUR	8	16	-8	-	-5	74.98%	
KSD 24 UG	Munich	1,000 EUR	8	14	-6	-	-2	74.98%	
KSD 25 UG	Munich	1,000 EUR	8	15	-7	-	-2	74.98%	
KSD 26 UG	Munich	1,000 EUR	1	4	-3	-	-2	74.98%	
KSD 27 UG	Munich	1,000 EUR	1	4	-3	-	-2	74.98%	
KSD 28 UG	Munich	1,000 EUR	1	4	-3	-	-2	74.98%	
KSD 29 UG	Munich	1,000 EUR	1	4	-3	-	-2	74.98%	
KSD 30 UG	Munich	1,000 EUR	1	4	-3	-	-2	74.98%	
KSD 31 UG	Munich	1,000 EUR	1	4	-3	-	-2	74.98%	
KSD 32 UG	Munich	1,000 EUR	1	4	-3	-	-2	74.98%	
KSD 33 UG	Munich	1,000 EUR	1	4	-3	-	-2	74.98%	
KSD 34 UG	Munich	1,000 EUR	1	4	-3	-	-2	74.98%	
KSD 35 UG	Munich	1,000 EUR	1	4	-3	-	-2	74.98%	
KSD 36 UG	Munich	1,000 EUR	1	4	-3	-	-2	74.98%	
KSD 37 UG	Munich	1,000 EUR	1	4	-3	-	-2	74.98%	
KSD 38 UG	Munich	1,000 EUR	1	4	-3	-	-2	74.98%	
KSD 39 UG	Munich	1,000 EUR	1	4	-3	-	-2	74.98%	
KSD 40 UG	Munich	1,000 EUR	1	4	-3	-	-2	74.98%	
The Netherlands:									
EDPR International Investments, B.V.	Amsterdam	20,000 EUR	138,741	123,395	15,345	-	4,728	74.98%	
Kronos Solar Projects NL, B.V.	Arnhem	5,000 EUR	221	180	41	126	6	74.98%	
KS NL10, B.V.	Arnhem	0 EUR	1	9	-8	-	-2	74.98%	
KS NL12, B.V.	Arnhem	0 EUR	1	9	-8	-	-1	74.98%	
KS NL13, B.V.	Arnhem	0 EUR	215	252	-37	-	-3	74.98%	
KS NL14, B.V.	Arnhem	0 EUR	219	266	-47	-	-6	74.98%	
KS NL16, B.V.	Arnhem	0 EUR	1	5	-4	-	-1	74.98%	
KS NL17, B.V.	Arnhem	0 EUR	7	44	-37	-	-11	74.98%	
KS NL20, B.V.	Arnhem	0 EUR	17	25	-8	12	-2	74.98%	
KS NL23, B.V.	Arnhem	0 EUR	34	72	-38	-	-3	74.98%	
KS NL24, B.V.	Arnhem	0 EUR	1	5	-4	-	-2	74.98%	
KS NL25, B.V.	Arnhem	0 EUR	9	16	-7	-	-3	74.98%	
KS NL27, B.V.	Arnhem	0 EUR	49	107	-57	-	-14	74.98%	
KS NL28, B.V.	Arnhem	0 EUR	156	192	-36	-	-5	74.98%	
KS NL29, B.V.	Arnhem	0 EUR	2	16	-13	-	-4	74.98%	
KS NL3, B.V.	Arnhem	0 EUR	174	217	-43	-	-29	74.98%	
KS NL30, B.V.	Arnhem	0 EUR	2	12	-10	-	-2	74.98%	
KS NL31, B.V.	Arnhem	0 EUR	2	13	-11	-	-2	74.98%	
KS NL32, B.V.	Arnhem	0 EUR	1,378	1,443	-65	-	-12	74.98%	
KS NL33, B.V.	Arnhem	0 EUR	5	31	-27	-	-2	74.98%	
KS NL34, B.V.	Arnhem	0 EUR	1,305	1,370	-65	-	-11	74.98%	
KS NL35, B.V.	Arnhem	1 EUR	2	17	-15	-	-2	74.98%	
KS NL36, B.V.	Arnhem	1 EUR	2	12	-10	-	-1	74.98%	
KS NL37, B.V.	Arnhem	1 EUR	3	20	-17	-	-1	74.98%	
KS NL38, B.V.	Arnhem	1 EUR	1	8	-7	-	-2	74.98%	
KS NL39, B.V.	Arnhem	1 EUR	1	10	-8	-	-1	74.98%	
KS NL40, B.V.	Arnhem	1 EUR	1	7	-6	-	-2	74.98%	
KS NL41, B.V.	Arnhem	1 EUR	63	73	-10	-	-4	74.98%	
KS NL42, B.V.	Arnhem	1 EUR	-	5	-5	-	-2	74.98%	
KS NL43, B.V.	Arnhem	1 EUR	2	15	-13	-	-2	74.98%	
KS NL44, B.V.	Arnhem	1 EUR	1	9	-8	-	-2	74.98%	
KS NL45, B.V.	Arnhem	1 EUR	37	53	-16	-	-2	74.98%	
KS NL46, B.V.	Arnhem	1 EUR	1	9	-8	-	-2	74.98%	
KS NL47, B.V.	Arnhem	1 EUR	1	7	-6	-	-2	74.98%	
KS NL48, B.V.	Arnhem	1 EUR	1	6	-6	-	-3	74.98%	
KS NL49, B.V.	Arnhem	1 EUR	1	6	-5	-	-2	74.98%	
KS NL50, B.V.	Arnhem	1 EUR	3	18	-16	-	-1	74.98%	
KS NL6, B.V.	Arnhem	- EUR	3	18	-15	-	-2	74.98%	
KS NL8, B.V.	Arnhem	- EUR	163	192	-29	-	-6	74.98%	

Subsidiaries	Head Office	Share capital / Currency	Assets 31-Dec-22 Euro'000	Liabilities 31-Dec-22 Euro'000	Equity 31-Dec-22 Euro'000	Revenues 31-Dec-22 Euro'000	Net Profit/(Loss) 31-Dec-22 Euro'000	% Group	% Company
Other Countries:									
EDP Renewables Belgium, S.A.	Brussels	286,500 EUR	19,382	17,105	2,277	2,402	1,044	74.98%	
EDP Renewables Hungary	Budapest	30,100,000 HUF	5,287	7,270	-1,984	970	-818	74.98%	
EDPR Investment Hungary, Kft.	Budapest	8,375,000 HUF	250	281	-32	-	-33	74.98%	
Napenergia, Kft.	Budapest	3,000,000 HUF	2,019	2,639	-620	-	-632	74.98%	
Nyírség Watt, Kft.	Budapest	313,000,000 HUF	3,877	2,092	1,785	-	36	74.98%	
Sunglare Capture, Kft.	Budapest	3,000,000 HUF	897	1,237	-339	-	-355	74.98%	
Sunglare Expert, Kft.	Budapest	3,000,000 HUF	900	1,236	-336	-	-352	74.98%	
Sunlight Solar, Kft.	Budapest	5,100,000 HUF	3,130	3,058	72	-	-1,291	63.73%	
Szabadsolar, Kft.	Budapest	3,000,000 HUF	341	745	-403	-	-421	74.98%	
North America Geography / Platform:									
United States of America:									
EDP Renewables North America LLC (USA Subgroup Parent Company)	Delaware	5,854,030,371 USD	5,723,781	1,110,636	4,613,145	80,772	-247,516	74.98%	
10 Point Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
17th Star Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
2007 Vento I LLC	Delaware	492,544,815 USD	519,422	2,178	517,244	7,027	3,583	74.98%	
2007 Vento II LLC	Delaware	208,869,370 USD	190,696	317	190,379	-	-137	38.24%	
2008 Vento III LLC	Delaware	329,915,264 USD	302,967	175	302,792	-	-7	38.24%	
2009 Vento V LLC	Delaware	1,060,697 USD	1,420	1,676	-256	-	-3	38.24%	
2011 Vento IX LLC	Delaware	48,589,635 USD	45,501	1,286	44,215	-	-19	38.24%	
2011 Vento X LLC	Delaware	82,960,663 USD	78,806	2,371	76,435	-	-183	74.98%	
2014 Sol I LLC	Delaware	57,623,714 USD	53,643	301	53,342	-	-76	37.49%	
2014 Vento XI LLC	Delaware	189,869,525 USD	179,243	1,334	177,908	-	-3	38.24%	
2014 Vento XII LLC	Delaware	95,867,632 USD	89,954	196	89,758	-	-5	38.24%	
2015 Vento XIII LLC	Delaware	247,913,544 USD	234,559	3,146	231,412	-	-112	38.24%	
2015 Vento XIV LLC	Delaware	217,973,299 USD	203,625	44	203,581	-	-10	38.24%	
2016 Vento XV LLC	Delaware	444,214,594 USD	416,438	695	415,743	-	-107	74.98%	
2016 Vento XVI LLC	Delaware	143,762,468 USD	136,462	2,375	134,088	-	-110	74.98%	
2017 Sol II LLC	Delaware	105,377,278 USD	99,543	589	98,954	-	-19	74.98%	
2018 Vento XVIII LLC	Delaware	425,012,891 USD	398,495	574	397,922	-	-104	74.98%	
2019 Vento XXII LLC	Delaware	266,979,241 USD	253,193	3,131	250,062	-	-111	74.98%	
2020 Vento XXII LLC	Delaware	1,009,664,911 USD	944,412	2,618	941,793	-	-4,947	74.98%	
2021 DG Agora Holdings LLC	Delaware	18,618,454 USD	17,456	-	17,456	-	-	63.73%	
2021 DG Agora Sol I LLC	Delaware	346 USD	-	-	-	-	-	63.73%	
2021 DG Agora Ventures I LLC	Delaware	18,618,108 USD	67,390	49,663	17,727	-	315	63.73%	
2021 DG Apollo Sol II LLC	Delaware	7,415 USD	7	-	7	-	-	63.73%	
2021 DG Apollo Ventures II LLC	Delaware	-9,853 USD	-	10	-10	-	-	63.73%	
2021 DG CA Agora Holdings LLC	Delaware	788,562 USD	739	1	738	-	-2	63.73%	
2021 DG CA Agora Sol I LLC	Delaware	346 USD	-	-	-	-	-	63.73%	
2021 DG CA Agora Ventures I LLC	Delaware	774,995 USD	726	7	719	-	-7	63.73%	
2021 DG CA Apollo Sol II LLC	Delaware	346 USD	-	-	-	-	-	63.73%	
2021 DG CA Apollo Ventures II LLC	Delaware	346 USD	-	-	-	-	-	63.73%	
2021 Vento XXIII LLC	Delaware	259,111,360 USD	256,321	13,499	242,822	-	-111	74.98%	
2022 SOL V LLC	Delaware	- USD	-	1	-1	-	-1	74.98%	
2022 SOL VII LLC	Delaware	1,328 USD	-	1	-1	-	-2	74.98%	
Alabama Ledge Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Alabama Solar Park LLC	Delaware	440 USD	-	-	-	-	-	74.98%	
Amsterdam 3 Solar LLC	Delaware	346 USD	-	-	-	-	-	63.73%	
Antelope Ridge Wind Power Project LLC	Delaware	12,828,809 USD	-	-	-	-	-	74.98%	
Arbuckle Mountain Wind Farm LLC	Delaware	140,352,864 USD	131,860	10,413	121,447	8,364	-1,385	38.24%	
Arkwright Summit Wind Farm LLC	Delaware	171,961,105 USD	188,571	16,776	171,796	17,684	5,421	74.98%	
Arlington Wind Power Project LLC	Delaware	48,038,795 USD	95,557	8,402	87,155	14,136	4,527	38.24%	
Aroostook Wind Energy LLC	Delaware	47,858,107 USD	40,131	370	39,762	-	-5	74.98%	
Ashford Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Athena-Weston Wind Power Project II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Athena-Weston Wind Power Project LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Avondale Solar Park LLC	Delaware	1,935,820 USD	2,098	286	1,812	-	-3	74.98%	
AZ Solar LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Azalea Springs Solar Park LLC	Delaware	2,862,866 USD	5,343	2,665	2,677	-	-7	74.98%	
Bar Harbor Community Solar LLC	Delaware	1,512,253 USD	1,605	191	1,413	-	-4	63.73%	
Bayou Bend Solar Park LLC	Delaware	440 USD	-	-	-	-	-	74.98%	
BC2 Maple Ridge Holdings LLC	Delaware	- USD	-	-	-	-	-	74.98%	
BC2 Maple Ridge Wind LLC	Delaware	268,811,195 USD	111,613	5,113	106,500	-	-3,327	74.98%	
Bear Peak Beccaria LLC	Delaware	- USD	-	-	-	-	-	63.73%	
Bear Peak Brady LLC	Delaware	- USD	-	-	-	-	-	63.73%	
Bear Peak East Carroll LLC	Delaware	- USD	-	-	-	-	-	63.73%	
Bear Peak Glen Hope LLC	Delaware	- USD	-	-	-	-	-	63.73%	
Bear Peak Jennerstown LLC	Delaware	- USD	-	-	-	-	-	63.73%	
Bear Peak Juniata LLC	Delaware	- USD	-	-	-	-	-	63.73%	
Bear Peak Paint II LLC	Delaware	- USD	-	-	-	-	-	63.73%	
Bear Peak Richmond LLC	Delaware	- USD	-	-	-	-	-	63.73%	
Big River Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Big River Wind Power Project LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Black Prairie Solar Park II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Black Prairie Solar Park LLC	Delaware	1,285,431 USD	1,294	89	1,205	-	-	74.98%	
Black Prairie Storage II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Black Prairie Storage LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Black Prairie Wind Farm II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Black Prairie Wind Farm III LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Black Prairie Wind Farm LLC	Delaware	1,183,528 USD	1,108	1	1,107	-	-	74.98%	
Blackford County Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blackford County Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blackstone Wind Farm II LLC	Delaware	171,640,650 USD	277,004	96,150	180,854	34,611	15,621	74.98%	
Blackstone Wind Farm III LLC	Delaware	6,275,439 USD	-	-	-	-	-	74.98%	
Blackstone Wind Farm IV LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blackstone Wind Farm LLC	Delaware	76,966,839 USD	124,852	43,792	81,059	16,788	7,312	74.98%	
Blackstone Wind Farm V LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blissville Road LLC	Delaware	2,280,446 USD	2,208	98	2,109	132	-29	63.73%	
Blue Canyon Windpower II LLC	Texas	263,914,720 USD	226,761	35,604	191,157	6,246	-17,447	74.98%	
Blue Canyon Windpower III LLC	Texas	- USD	-	-	-	-	-	74.98%	
Blue Canyon Windpower IV LLC	Texas	- USD	-	-	-	-	-	74.98%	
Blue Canyon Windpower V LLC	Texas	- USD	-	-	-	-	-	74.98%	
Blue Canyon Windpower VI LLC	Texas	- USD	109,621	8,744	100,878	20,979	8,625	38.24%	
Blue Canyon Windpower VII LLC	Delaware	84,054,756 USD	100,156	8,713	91,443	5,319	-5,271	74.98%	
Blue Canyon Windpower VIII LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blue Harvest Solar Park LLC	Delaware	12,525,442 USD	44,222	32,544	11,678	-	-45	74.98%	
Blue Marmot I LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blue Marmot II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blue Marmot III LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blue Marmot IV LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blue Marmot IX LLC	Delaware	1,340 USD	-	3	-3	-	-4	74.98%	
Blue Marmot Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blue Marmot V LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blue Marmot VI LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blue Marmot VII LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blue Marmot VIII LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blue Marmot XII LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Bluebird Prairie Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Bright Stalk Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Broadlands Wind Farm II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Broadlands Wind Farm III LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Buffalo Bluff Wind Farm LLC	Delaware	4,927,632 USD	4,816	198	4,619	-	-1	74.98%	
C2 Alpha Holdings LLC	Delaware	76,514 USD	-	-	-	-	-73	63.73%	
C2 Bristol I LLC	Delaware	6,039,969 USD	5,992	350	5,642	-	-11	63.73%	

Subsidiaries	Head Office	Share capital / Currency	Assets		Liabilities		Equity		Revenues		Net Profit/(Loss)		% Group	% Company
			31-Dec-22	Euro'000	31-Dec-22	Euro'000	31-Dec-22	Euro'000	31-Dec-22	Euro'000	31-Dec-22	Euro'000		
C2 Bristol II LLC	Delaware	1,345,640 USD	1,348	109	1,239	-	-23	63.73%						
C2 CA 2016 Holdings LLC	Delaware	1,526,711 USD	1,442	15	1,427	-	-157	63.73%						
C2 CA WMS Redlands #1693 LLC	Delaware	- USD	-	-	-	-	-	63.73%						
C2 CB 2017 Holdings LLC	Delaware	19,349,878 USD	17,650	-482	18,133	-	-434	63.73%						
C2 Centrica MT LLC	Delaware	3,273,886 USD	16,171	1,134	15,037	-	-406	63.73%						
C2 CI Holdings 2 LLC	Delaware	1,337 USD	-	-	-	-	-1	63.73%						
C2 CT Fund 1 Holding LLC	Delaware	34,862,541 USD	47,263	1,154	46,109	-	-52	63.73%						
C2 Energy Development LLC	Delaware	96,569,741 USD	89,823	969	88,854	-	-1,301	63.73%						
C2 Franklin LLC	Delaware	3,453,156 USD	3,236	5	3,231	-	-1	63.73%						
C2 Gamma Holdings LLC	Delaware	3,452,012 USD	3,105	3	3,101	-	-60	63.73%						
C2 IL WMS Bloomington #3459 LLC	Delaware	- USD	-	-	-	-	-	63.73%						
C2 IL WMS Skokie #1998 LLC	Delaware	- USD	-	-	-	-	-	63.73%						
C2 MA 2016 Holdings LLC	Delaware	1,950,090 USD	1,669	2	1,667	-	-180	63.73%						
C2 MA Adams I Holdings LLC	Delaware	11,561,480 USD	10,107	40	10,068	-	-986	63.73%						
C2 MA Adams I LLC	Delaware	10,724,957 USD	10,305	283	10,021	1,065	636	63.73%						
C2 MA Adams II LLC	Delaware	1,603,084 USD	4,210	2,375	1,835	512	359	63.73%						
C2 MA DEPCOM 2017 LLC	Delaware	4,168,925 USD	4,275	-138	4,413	-	-914	63.73%						
C2 MA DEPCOM Sponsor LLC	Delaware	4,170,099 USD	3,909	-	3,909	-	-1	63.73%						
C2 MA Dudley II LLC	Delaware	1,444,840 USD	3,070	1,873	1,197	-	14	63.73%						
C2 MA FKW Holdings LLC	Delaware	2,932,560 USD	2,752	330	2,421	-	-228	63.73%						
C2 MA Kelly Way Solar LLC	Delaware	1,176,528 USD	1,325	125	1,200	166	137	63.73%						
C2 MA Lakeway Holdings LLC	Delaware	8,096,660 USD	7,932	166	7,736	-	-409	63.73%						
C2 MA Lakewood LLC	Delaware	8,293,966 USD	8,402	141	8,260	926	675	63.73%						
C2 MA Lakewood Sponsor LLC	Delaware	8,091,791 USD	7,582	-	7,582	-	-5	63.73%						
C2 MA Managing Member II LLC	Delaware	2,932,705 USD	2,749	-	2,749	-	-1	63.73%						
C2 MA New Salem LLC	Delaware	1,250,049 USD	3,024	1,607	1,417	349	216	63.73%						
C2 MA Owner LLC	Delaware	20,702,720 USD	20,120	713	19,407	-	-528	63.73%						
C2 MA Swansea Holdings LLC	Delaware	6,728,084 USD	6,049	613	5,436	-	-992	63.73%						
C2 MA Swansea LLC	Delaware	6,449,512 USD	7,559	604	6,955	1,096	941	63.73%						
C2 MH Hopkins LLC	Delaware	2,982,845 USD	2,934	254	2,680	34	-115	63.73%						
C2 Merin LLC	Delaware	1,787,151 USD	1,554	29	1,525	110	-45	63.73%						
C2 NC Kitty Hawk LLC	Delaware	- USD	-	-	-	-	-	63.73%						
C2 NJ Andover I LLC	Delaware	- USD	2,349	1,254	1,095	288	103	63.73%						
C2 NY Brookhaven LLC	Delaware	7,920,100 USD	7,226	398	6,828	-	-570	63.73%						
C2 NY Sentinel Heights Solar LLC	Delaware	5,608,973 USD	5,778	541	5,238	-	-4	63.73%						
C2 OH New Lebanon LLC	Delaware	346 USD	-	-	-	-	-	63.73%						
C2 OH Otsego I LLC	Delaware	3,436 USD	-	-	-	-	-3	63.73%						
C2 OH Otsego II LLC	Delaware	-8,478 USD	2,809	1,444	1,366	246	-55	63.73%						
C2 Omega Holding Company LLC	Delaware	15,025 USD	-	-3	-3	-	-8	63.73%						
C2 RI Hopkinton LLC	Delaware	3,143,218 USD	3,366	496	2,890	186	-55	63.73%						
C2 Scripps 1 LLC	Delaware	1,537,793 USD	2,288	1,052	1,236	119	-112	63.73%						
C2 Scripps 3 LLC	Delaware	1,019,981 USD	1,414	557	858	64	-50	63.73%						
C2 Scripps 4 LLC	Delaware	1,506,539 USD	2,143	832	1,311	100	-51	63.73%						
C2 SH 2019 LLC	Delaware	2,396,180 USD	2,245	-	2,245	-	-1	63.73%						
C2 Starratt Solar LLC	Delaware	14,276,358 USD	13,010	234	12,776	693	-286	63.73%						
C2 Starratt Sponsor LLC	Delaware	19,352,007 USD	18,142	-	18,142	-	-1	63.73%						
C2 WM 2020 Holdings LLC	Delaware	1,482 USD	-	-	-	-	-1	63.73%						
C2 WM Arizona 1 LLC	Delaware	1,021,833 USD	968	22	947	53	1	63.73%						
C2 WM Arizona 10 LLC	Delaware	778,884 USD	738	19	719	41	-4	63.73%						
C2 WM Arizona 1512 LLC	Delaware	815,688 USD	784	21	763	-	-2	63.73%						
C2 WM Arizona 1549 LLC	Delaware	1,218,842 USD	1,290	44	1,245	140	52	63.73%						
C2 WM Arizona 2 LLC	Delaware	1,656,298 USD	1,551	37	1,514	85	-22	63.73%						
C2 WM Arizona 2112 LLC	Delaware	866,988 USD	899	27	871	91	29	63.73%						
C2 WM Arizona 3 LLC	Delaware	2,418,585 USD	2,247	41	2,206	119	-38	63.73%						
C2 WM Arizona 3360 LLC	Delaware	896,691 USD	921	30	891	92	25	63.73%						
C2 WM Arizona 3465 LLC	Delaware	822,273 USD	965	78	887	113	62	63.73%						
C2 WM Arizona 3799 LLC	Delaware	973,110 USD	1,355	367	989	124	31	63.73%						
C2 WM Arizona 3833 LLC	Delaware	982,245 USD	1,357	367	990	126	28	63.73%						
C2 WM Arizona 3861 LLC	Delaware	1,313,558 USD	1,334	41	1,293	126	19	63.73%						
C2 WM Arizona 4 LLC	Delaware	1,911,915 USD	1,797	48	1,749	98	-18	63.73%						
C2 WM Arizona 4451 LLC	Delaware	1,022,906 USD	1,121	86	1,035	120	49	63.73%						
C2 WM Arizona 5 LLC	Delaware	1,627,680 USD	1,507	32	1,476	77	-29	63.73%						
C2 WM Arizona 5788 LLC	Delaware	- USD	-	-	-	-	-	63.73%						
C2 WM Arizona 6 LLC	Delaware	2,056,011 USD	1,910	34	1,875	104	-31	63.73%						
C2 WM Arizona 7 LLC	Delaware	2,865,132 USD	2,220	56	2,164	124	-504	63.73%						
C2 WM Arizona 8 LLC	Delaware	2,267,789 USD	2,112	46	2,065	114	-38	63.73%						
C2 WM Arizona 9 LLC	Delaware	2,141,088 USD	1,996	37	1,959	107	-22	63.73%						
C2 WM Arizona Holdings LLC	Delaware	2,025 USD	-	-	-	-	-2	63.73%						
C2 WM California 1789 LLC	Delaware	686,802 USD	744	27	717	91	32	63.73%						
C2 WM California 1988 LLC	Delaware	478,968 USD	508	16	492	58	20	63.73%						
C2 WM California 2039 LLC	Delaware	- USD	-	-	-	-	-	63.73%						
C2 WM California 4202 LLC	Delaware	339,565 USD	336	9	327	33	6	63.73%						
C2 WM California 4317 LLC	Delaware	738,639 USD	710	20	689	-	-3	63.73%						
C2 WM California 5884 LLC	Delaware	- USD	-	-	-	-	-	63.73%						
C2 WM California 5890 LLC	Delaware	673,816 USD	663	16	647	49	5	63.73%						
C2 WM California Holdings LLC	Delaware	1,229 USD	-	-	-	-	-1	63.73%						
C2 WM Chester Leasing LLC	Delaware	293,579 USD	278	49	229	22	-28	63.73%						
C2 WM DSA Holdings LLC	Delaware	1,573,200 USD	18,110	16,496	1,614	-	-251	63.73%						
C2 WM Greenwood Leasing LLC	Delaware	393,806 USD	433	92	341	52	-34	63.73%						
C2 WM Holdings LLC	Delaware	46,253 USD	42	-	42	-	-1	63.73%						
C2 WM Illinois 1404 LLC	Delaware	852,324 USD	1,062	31	1,031	179	95	63.73%						
C2 WM Illinois 1489 LLC	Delaware	700,670 USD	831	22	810	98	61	63.73%						
C2 WM Illinois 1548 LLC	Delaware	638,828 USD	634	23	612	106	37	63.73%						
C2 WM Illinois 1553 LLC	Delaware	675,494 USD	853	23	830	116	80	63.73%						
C2 WM Illinois 1761 LLC	Delaware	784,401 USD	883	28	854	102	35	63.73%						
C2 WM Illinois 1848 LLC	Delaware	593,901 USD	819	24	795	127	100	63.73%						
C2 WM Illinois 1933 LLC	Delaware	677,575 USD	876	26	850	124	90	63.73%						
C2 WM Illinois 2215 LLC	Delaware	750,310 USD	961	31	930	139	101	63.73%						
C2 WM Illinois 2491 LLC	Delaware	858,955 USD	1,230	139	1,091	229	103	63.73%						
C2 WM Illinois 253 LLC	Delaware	966,921 USD	1,218	40	1,178	217	100	63.73%						
C2 WM Illinois 5442 LLC	Delaware	579,319 USD	700	21	679	86	55	63.73%						
C2 WM Illinois 612 LLC	Delaware	652,626 USD	704	24	681	133	70	63.73%						
C2 WM Illinois 891 LLC	Delaware	811,634 USD	1,073	34	1,039	159	117	63.73%						
C2 WM Illinois Holdings LLC	Delaware	38,031 USD	-	-	-	-	-39	63.73%						
C2 WM Indian Land Leasing LLC	Delaware	586,889 USD	596	133	463	41	-50	63.73%						
C2 WM Lake Wylie Leasing LLC	Delaware	601,907 USD	599	123	476	42	-54	63.73%						
C2 WM Laurens Leasing LLC	Delaware	2,302,429 USD	3,191	1,155	2,036	82	-59	63.73%						
C2 WM Leasing LLC	Delaware	1,847,385 USD	1,680	-51	1,730	-	-2	63.73%						
C2 WM Louisiana 309 LLC	Delaware	- USD	-	-	-	-	-	63.73%						
C2 WM Louisiana 539 LLC	Delaware	256,203 USD	256	19	237	-	-3	63.73%						
C2 WM Louisiana 87 LLC	Delaware	558,111 USD	554	16	537	48	7	63.73%						
C2 WM Louisiana Holdings LLC	Delaware	726 USD	-	-	-	-	-2	63.73%						
C2 WM Maryland 1715 LLC	Delaware	918,169 USD	845	29	817	45	-48	63.73%						
C2 WM Maryland 2436 LLC	Delaware	1,177,369 USD	1,124	61	1,063	89	-49	63.73%						
C2 WM Maryland Holdings LLC	Delaware	1538 USD	-	-	-	-	-1	63.73%						
C2 WM New Jersey 1 LLC	Delaware	5,403,578 USD	5,513	82	5,432	495	291	63.73%						
C2 WM New Jersey 1807 LLC	Delaware	778,944 USD	738	9	729	-	-1	63.73%						
C2 WM New Jersey 1844 LLC	Delaware	776,543 USD	732	5	727	-	-1	63.73%						
C2 WM New Jersey 1869 LLC	Delaware	778,001 USD	736	8	728	-	-1	63.73%						
C2 WM New Jersey 1977 LLC	Delaware	770,643 USD	729	8	721	-	-1	63.73%						
C2 WM New Jersey 2195 LLC	Delaware	1,055,919 USD	1,046	67	980	27	-15	63.73%						
C2 WM New Jersey 3795 LLC	Delaware	1,285,596 USD	1,295	64	1,231	78	26	63.73%						
C2 WM New Jersey Holdings LLC	Delaware	1,228 USD	-	-	-	-	-1	63.73%						
C2 WM Phase 3 Holdings LLC	Delaware	1,217 USD	-	-	-	-	-1	63.73%						

Subsidiaries	Head Office	Share capital / Currency	Assets 31-Dec-22 Euro'000	Liabilities 31-Dec-22 Euro'000	Equity 31-Dec-22 Euro'000	Revenues 31-Dec-22 Euro'000	Net Profit/(Loss) 31-Dec-22 Euro'000	% Group	% Company
C2 WM Phase 3 Sponsor LLC	Delaware	2,436 USD	1	-	1	-	-1	63.73%	
C2 WM Phase I Holdings LLC	Delaware	1,779,507 USD	1,621	18	1,603	-	-99	63.73%	
C2 WM Pickens Leasing LLC	Delaware	233,972 USD	262	62	199	17	-33	63.73%	
C2 WM Powdersville Leasing LLC	Delaware	665,693 USD	606	54	552	35	-56	63.73%	
C2 WM Regent Dev Holdings 2020 LLC	Delaware	994 USD	-	-	-	-	-1	63.73%	
C2 WM Simpsonville Leasing LLC	Delaware	797,706 USD	787	119	668	74	-79	63.73%	
C2 Woodbury Solar LLC	Delaware	10,176,397 USD	9,543	17	9,525	-	5	63.73%	
C2-REA Solar LLC	Delaware	9,779,946 USD	8,992	-172	9,165	-	-1	63.73%	
CA Gettysburg Solar Farm LLC	Delaware	7,011,147 USD	6,824	72	6,551	-	-22	63.73%	
CA Marinwood Solar LLC	Delaware	388,429 USD	360	1	359	-	-5	63.73%	
CA Olde Thompson Solar LLC	Delaware	- USD	989	1,351	-363	69	13	63.73%	
CA Syracuse Solar LLC	Delaware	- USD	-	-	-	-	-	63.73%	
CA Tours Solar LLC	Delaware	- USD	-	-	-	-	-	63.73%	
Camden PV PSEG Solar LLC	Delaware	116,151 USD	-	-45	45	-	-1	63.73%	
Camden PV Solar LLC	Delaware	7,577,252 USD	6,810	151	6,859	753	405	63.73%	
Cameron Solar LLC	Delaware	34,295,971 USD	35,674	3,166	32,508	2,090	39	74.98%	
Casa Grande Carmel Solar LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Castle Valley Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Cattlemen Solar Park II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Cattlemen Solar Park LLC	Delaware	9,283,375 USD	104,167	96,623	7,544	-	-1,175	74.98%	
Chataaugay River Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Cielo Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Citizens Dickerson Solar LLC	Delaware	5,083 USD	5	-	5	-	-	63.73%	
Citizens Westmoreland Solar LLC	Delaware	5,083 USD	5	-	5	-	-	63.73%	
Clinton County Wind Farm LLC	Delaware	181,172,602 USD	169,853	-	169,853	-	-	74.98%	
Cloud County Wind Farm LLC	Delaware	118,510,053 USD	179,026	13,602	165,424	25,107	8,167	38.24%	
Clover Creek Solar Project III LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Clover Creek Solar Project LLC	Delaware	2,148 USD	30,125	30,148	-23	-	-25	74.98%	
Coldwater Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Cross Curry Wind Power Project LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Cortland - Virgil Road Solar LLC	Delaware	6,877,325 USD	6,544	729	5,816	97	-188	63.73%	
Creed Road Solar I LLC	Delaware	- USD	-	-	-	-	-	63.73%	
Crescent Bar Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Crooked Lake Solar II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Crooked Lake Solar LLC	Delaware	28,508,603 USD	102,110	75,568	26,542	-	-189	74.98%	
Cropsey Ridge Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Crossing Trails Wind Power Project III LLC	Delaware	4,285 USD	-	-	-	-	-4	74.98%	
Crossing Trails Wind Power Project LLC	Delaware	153,439,231 USD	158,818	18,694	140,124	4,463	-2,281	74.98%	
Cypress Knee Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Dairy Hills Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
DC Green Solar LLC	Delaware	3,461 USD	-	-	-	-	-3	63.73%	
DC - JD Portfolio - 818 Michigan	Delaware	3,991 USD	-	1	-1	-	-1	63.73%	
DC - JD Portfolio - Barrel Roof	Delaware	-0 USD	-	-	-	-	-	63.73%	
DC - JD Portfolio - Flat Roof	Delaware	-0 USD	-	-	-	-	-	63.73%	
DC - JD Portfolio - Green Roof	Delaware	0 USD	-	-	-	-	-	63.73%	
DC - JD Portfolio - Parking Deck	Delaware	0 USD	-	-	-	-	-	63.73%	
DC PD Solar LLC	Delaware	5,609 USD	-	-	-	-	-5	63.73%	
Diamond Power Partners LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Drake Peak Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Dry Creek Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Duff Solar Park II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Duff Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Eagle Creek Solar Park LLC	Delaware	440 USD	-	-	-	-	-	74.98%	
East Klickitat Wind Power Project LLC	Delaware	- USD	-	-	-	-	-	74.98%	
East River Solar LLC	Delaware	6,023,541 USD	6,191	676	5,515	156	-64	63.73%	
Eastmill Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
EDPR CA Solar Park III LLC	Delaware	3,487,119 USD	70,331	67,800	2,531	-	-682	74.98%	
EDPR CA Solar Park III LLC	Delaware	3,993,075 USD	4,767	1,063	3,703	-	-33	74.98%	
EDPR CA Solar Park IV LLC	Delaware	- USD	-	-	-	-	-	74.98%	
EDPR CA Solar Park LLC	Delaware	37,190,728 USD	164,088	129,927	34,161	-	-696	74.98%	
EDPR CA Solar Park V LLC	Delaware	- USD	-	-	-	-	-	74.98%	
EDPR CA Solar Park VI LLC	Delaware	548,254 USD	7,823	7,804	219	-	-68	74.98%	
EDPR NA DG Holding LLC	Delaware	77,117,183 USD	72,302	54	72,248	-	-54	74.98%	
EDPR NA DG Missouri Development LLC	Delaware	13,355 USD	-	5	-5	-	-18	63.73%	
EDPR NA DGMN SLP LLC	Delaware	810 USD	-	-	-	-	-1	63.73%	
EDPR NA DGMN YMCA LLC	Delaware	1,397,219 USD	1,351	53	1,297	8	-13	63.73%	
EDPR NA DG Virginia Development LLC	Delaware	- USD	-	-	-	-	-	63.73%	
EDPR NA Distributed Generation LLC	Delaware	40,893,177 USD	332,982	260,204	72,778	194	-17,137	63.73%	
EDPR NA Greenfield Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
EDPR NA Shelby Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
EDPR Northeast Allen Solar Park II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
EDPR Northeast Allen Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
EDPR Northeast Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
EDPR RS LLC	Delaware	- USD	-	-	-	-	-	74.98%	
EDPR Scarlet I LLC	Delaware	- USD	-	-	-	-	-	74.98%	
EDPR Scarlet II BESS LLC	Delaware	- USD	-	-	-	-	-	74.98%	
EDPR Scarlet II LLC	Delaware	21,114,189 USD	35,788	16,035	19,752	-	-44	74.98%	
EDPR Scarlet III LLC	Delaware	- USD	-	-	-	-	-	74.98%	
EDPR Solar Ventures I LLC	Delaware	30,435,228 USD	54,026	3,953	50,073	-	139	37.49%	
EDPR Solar Ventures II LLC	Delaware	51,799,278 USD	99,135	17,929	81,206	-	6,825	74.98%	
EDPR Solar Ventures III LLC	Delaware	74,160,300 USD	84,142	178	83,964	-	5,426	74.98%	
EDPR Solar Ventures IV LLC	Delaware	85,453,830 USD	106,248	167	106,081	-	9,815	74.98%	
EDPR Solar Ventures V LLC	Delaware	37,565,867 USD	49,942	-	49,942	-	-75,357	74.98%	
EDPR Solar Ventures VI LLC	Delaware	- USD	-	-	-	-	-	74.98%	
EDPR Solar Ventures VII LLC	Delaware	- USD	-	10	-10	-	-10	74.98%	
EDPR South Table LLC	Nebraska	- USD	-	-	-	-	-	74.98%	
EDPR Vento I Holding LLC	Delaware	242,152,846 USD	227,032	-	227,032	-	-	74.98%	
EDPR Vento II Holding LLC	Delaware	- USD	-	-	-	-	-	74.98%	
EDPR Vento III Holding LLC	Delaware	- USD	-	-	-	-	-	74.98%	
EDPR Vento IV Holding LLC	Delaware	125,734,392 USD	175,946	40,329	135,616	-	-	74.98%	
EDPR WF LLC	Delaware	49,317,020 USD	46,238	-	46,238	-	-	74.98%	
EDPR Wind Ventures X LLC	Delaware	- USD	78,254	11,517	66,737	-	521	74.98%	
EDPR Wind Ventures XI LLC	Delaware	6,424,631 USD	178,014	103,882	74,132	-	11,826	38.24%	
EDPR Wind Ventures XII LLC	Delaware	21,630,184 USD	89,882	57,270	32,611	-	3,532	38.24%	
EDPR Wind Ventures XIII LLC	Delaware	66,153,875 USD	232,433	122,876	109,557	-	10,339	38.24%	
EDPR Wind Ventures XIV LLC	Delaware	24,987,805 USD	204,363	130,569	73,794	-	11,809	38.24%	
EDPR Wind Ventures XIX LLC	Delaware	- USD	29,907	5,219	24,688	-	422	74.98%	
EDPR Wind Ventures XV LLC	Delaware	108,724,831 USD	416,477	238,559	177,918	-	12,624	74.98%	
EDPR Wind Ventures XVI LLC	Delaware	46,280,473 USD	134,786	78,156	56,630	-	3,830	74.98%	
EDPR Wind Ventures XVII LLC	Delaware	- USD	40,703	3,086	37,617	-	5,296	74.98%	
EDPR Wind Ventures XVIII LLC	Delaware	165,855,520 USD	398,474	200,609	197,866	-	15,041	74.98%	
EDPR Wind Ventures XX LLC	Delaware	- USD	40,383	23,989	16,394	-	7,576	74.98%	
EDPR Wind Ventures XXI LLC	Delaware	133,455,190 USD	250,309	112,095	138,214	-	6,733	74.98%	
EDPR Wind Ventures XXII LLC	Delaware	359,816,238 USD	946,620	582,246	364,374	-	19,149	74.98%	
EDPR Wind Ventures XXIII LLC	Delaware	117,735,003 USD	242,932	125,448	117,485	-	7,192	74.98%	
EDPRNA Bar Harbor Holdings LLC	Delaware	1,506,361 USD	1,418	6	1,412	-	-	63.73%	
EDPRNA DG California Development LLC	Delaware	- USD	-	-	-	-	-	63.73%	
EDPRNA DG CI Sponsor 2 LLC	Delaware	2,556 USD	1	-	1	-	-1	63.73%	
EDPRNA DG CT Fund 1MM LLC	Delaware	19,119,998 USD	36,615	16,668	19,947	-	-600	63.73%	
EDPRNA DG Distributed Sun Holding LLC	Delaware	7,763,560 USD	7,279	-	7,279	-	-	63.73%	
EDPRNA DG Energy Holdings Inc.	Delaware	- USD	-	-	-	-	-25	63.73%	
EDPRNA DG Georgia Development LLC	Delaware	10,000 USD	-	5	-5	-	-15	63.73%	

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EDPRNA DG Illinois Development LLC	Delaware		47,882 USD	-	68	-68	-	-	-	-	-114	63.73%			
EDPRNA DG Indiana Development LLC	Delaware		- USD	-	-	-	-	-	-	-	-	63.73%			
EDPRNA DG Lessee Holdings LLC	Delaware		1,496 USD	-	-	-	-	-	-	-	-1	63.73%			
EDPRNA DG MA Managing Member LLC	Delaware		20,703,724 USD	19,410	-	19,410	-	-	-	-	-1	63.73%			
EDPRNA DG Maryland Development LLC	Delaware		- USD	-	-	-	-	-	-	-	-	63.73%			
EDPRNA DG Michigan Development LLC	Delaware		- USD	-	-	-	-	-	-	-	-	63.73%			
EDPRNA DG Mississippi Development LLC	Delaware		44,948 USD	-	35	-35	-	-	-	-	-78	63.73%			
EDPRNA DG New York Development LLC	Delaware		18,556 USD	-	131	-131	-	-	-	-	-151	63.73%			
EDPRNA DG O&M Services LLC	Delaware		6,493 USD	1	3	-1	-	-	-	-	-8	63.73%			
EDPRNA DG Ohio Development LLC	Delaware		187,929 USD	9	147	-138	-	-	-	-	-318	63.73%			
EDPRNA DG Pennsylvania Development LLC	Delaware		- USD	-	3	-3	-	-	-	-	-3	63.73%			
EDPRNA DG PR Radar LLC	Delaware		- USD	-	-	-	-	-	-	-	-	63.73%			
EDPRNA DG Rho LLC	Delaware		40,343,983 USD	76,844	33,110	43,734	5,331	3,666	63.73%		-				
EDPRNA DG Solar Portfolio IV LLC	Delaware		-1,094,829 USD	-1026	-	-1026	-	-	63.73%		-				
EDPRNA DG Solar WF Portfolio LLC	Delaware		-10,674,353 USD	-10,006	2	-10,008	-	-	63.73%		-				
EDPRNA DG Texas Development LLC	Delaware		33,950 USD	-	19	-19	-	-	63.73%		-52				
EDPRNA DG Wisconsin Development LLC	Delaware		59,977 USD	-	8	-8	-	-	63.73%		-65				
EDPRNA DG WM 2020 Parent LLC	Delaware		1,883 USD	1	-	1	-	-	63.73%		-				
EDPRNA DG WM DSA Sponsor LLC	Delaware		- USD	10,803	13,056	-2,253	-	-524	63.73%		-				
EDPRNA DG WM Illinois 1998 LLC	Delaware		346 USD	-	-	-	-	-	63.73%		-				
EDPRNA DG WM Illinois 3459 LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
EDPRNA DG XII Holdings LLC	Delaware		30,716,453 USD	28,798	-	28,798	-	-	63.73%		-				
EDPRNA DG York County Sun LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Edwardsport Solar Park LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Esker Solar Park II LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Esker Solar Park LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Estill Solar I LLC	Delaware		37,628,386 USD	37,207	2,040	35,167	1,810	-130	63.73%		-				
Five-Spot LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Ford Wind Farm LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Franklin Wind Farm LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
FRV CSU Power II LLC	Delaware		9,522,826 USD	9,316	112	9,204	548	279	63.73%		-				
FRV SI Transport L.P.	Delaware		5,016,812 USD	4,742	41	4,701	182	-3	63.73%		-				
Generate USF Fairburn LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Generate USF Las Vegas LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Generate USF Loveland LLC	Delaware		- USD	-	38	-38	-	-38	63.73%		-				
Generate USF Manassas LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Generate USF McClellan LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Generate USF N Las Vegas LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Generate USF Phoenix LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
German Community Solar LLC	Delaware		10,283,945 USD	10,646	1,056	9,590	-	36	63.73%		-				
Gilpatrick Solar LLC	Delaware		893,552 USD	839	1	837	-	-	63.73%		-				
Golfinger Ventures III LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Green Country Wind Farm LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Green Power Offsets LLC	Delaware		10,515 USD	-	-	-	-	-	63.73%		-				
Greenbow Solar Park LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Gulf Coast Windpower Management Company LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Hampton Solar II LLC	Delaware		34,109,976 USD	35,245	1,740	33,506	1,948	23	63.73%		-				
HB Steel Community Solar LLC	Delaware		448,942 USD	421	-	421	-	-	63.73%		-				
Headwaters Wind Farm II LLC	Delaware		280,481,962 USD	285,756	40,817	244,939	12,646	2,641	63.73%		-				
Headwaters Wind Farm III LLC	Delaware		440 USD	-	-	-	-	-	63.73%		-				
Headwaters Wind Farm IV LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Headwaters Wind Farm LLC	Delaware		191,180,158 USD	293,736	30,608	263,128	31,650	14,906	63.73%		-				
Helena Harbor Solar Park LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Hickory Solar LLC	Delaware		208,155 USD	243	50	193	-	-2	63.73%		-				
Hidalgo Wind Farm II LLC	Delaware		63,594,783 USD	70,952	5,707	65,245	358	-3,557	63.73%		-				
Hidalgo Wind Farm LLC	Delaware		326,333,321 USD	321,657	18,126	303,531	448	-25,628	63.73%		-				
High Prairie Wind Farm II LLC	Delaware		42,459,352 USD	91,703	15,387	76,316	14,938	5,308	63.73%		-				
High Trail Wind Farm LLC	Delaware		115,514,749 USD	211,051	19,562	191,489	37,466	14,126	63.73%		-				
Holly Hill Solar Park LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Horizon Wind Chocolate Bayou I LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Horizon Wind Energy Midwest IX LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Horizon Wind Energy Northwest I LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Horizon Wind Energy Northwest IV LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Horizon Wind Energy Northwest VII LLC	Delaware		150 USD	-	140	-140	-	-142	63.73%		-				
Horizon Wind Energy Northwest X LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Horizon Wind Energy Northwest XI LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Horizon Wind Energy Panhandle I LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Horizon Wind Energy Southwest I LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Horizon Wind Energy Southwest II LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Horizon Wind Energy Southwest III LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Horizon Wind Energy Southwest IV LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Horizon Wind Energy Valley I LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Horizon Wind Freepart Windpower I LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Horizon Wind MREC Iowa Partners LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Horizon Wind Ventures I LLC	Delaware		103,641,085 USD	1,035,197	348,004	687,193	-	3,053	63.73%		-				
Horizon Wind Ventures III LLC	Delaware		- USD	994	3,428	-2,433	-	464	63.73%		-				
Horizon Wind Ventures IX LLC	Delaware		10,102,494 USD	45,556	35,966	9,590	-	1,699	63.73%		-				
Horizon Wyoming Transmission LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Horse Mountain Wind Farm LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Indiana Crossroads Solar Park II LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Indiana Crossroads Wind Farm II LLC	Delaware		15,435,631 USD	117,743	103,313	14,430	-	-5	63.73%		-				
Indiana Crossroads Wind Ventures LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Iron Valley Solar Park LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Jericho Rise Wind Farm LLC	Delaware		117,839,621 USD	134,513	10,256	124,256	15,116	3,710	63.73%		-				
Juniper Wind Power Partners LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Leprechaun Solar Park LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Lexington Chenoa Wind Farm II LLC	Delaware		2,364,613 USD	1,950	296	1,653	-	-	63.73%		-				
Lexington Chenoa Wind Farm III LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Lime Hollow Solar LLC	Delaware		6,969,830 USD	6,606	688	5,918	259	-89	63.73%		-				
Little Brook Solar Park LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Loblolly Hill Solar Park LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Loki Solar Park LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Loma de la Gloria Solar Park LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Lone Valley Solar Park I LLC	Delaware		21,660,272 USD	24,490	1,986	22,504	2,050	426	63.73%		-				
Lone Valley Solar Park II LLC	Delaware		35,555,017 USD	45,668	3,758	41,909	4,408	1,669	63.73%		-				
Long Hollow Wind Farm LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Longroad ASD1 LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Longroad CPA CDC1 LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Longroad CPA CSU3 LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Longroad CPA CSU4 LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Longroad DG Portfolio I LLC	Delaware		-5,641 USD	-	5	-5	-	-	63.73%		-				
Longroad Fund III Holdings LLC	Delaware		-1,557,574 USD	-1,460	-	-1,460	-	-	63.73%		-				
Longroad SD LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Longroad SIT1 Hoboken LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Longroad Solar Fund III LLC	Delaware		-1,557,574 USD	1	1,461	-1,460	-	-	63.73%		-				
Longroad ST6 Stockton LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Longroad WF7 Cheshire LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Longroad WGNJ1 LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Longroad WGNJ2 LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Lost Lakes Wind Farm LLC	Delaware		116,145,839 USD	114,063	13,928	100,135	7,701	-6,969	63.73%		-				
Lotus Blocker LLC	Delaware		- USD	-	-	-	-	-	63.73%		-				
Lotus DevCo I LLC	Delaware		2,153 USD	-	-	-	-	-2	63.73%		-				

Subsidiaries	Head Office	Share capital / Currency	Assets 31-Dec-22 Euro'000	Liabilities 31-Dec-22 Euro'000	Equity 31-Dec-22 Euro'000	Revenues 31-Dec-22 Euro'000	Net Profit/(Loss) 31-Dec-22 Euro'000	% Group	% Company
Lotus DevCo II LLC	Delaware	2,709 USD	-	-	-	-	-3	74.98%	
Lowland Solar Park LLC	Delaware	- USD	-	10	-10	-	-10	74.98%	
Loyal Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Machias Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Madison Windpower LLC	Delaware	19,513,144 USD	3,403	409	2,994	987	-1,018	74.98%	
Marathon Wind Farm LLC	Delaware	3,494,594 USD	3,523	272	3,251	-	-23	74.98%	
Marble River LLC	Delaware	181,164,846 USD	309,478	98,160	211,318	27,521	7,836	74.98%	
Martinsdale Wind Farm LLC	Delaware	5,164,393 USD	4,699	342	4,357	-	-358	74.98%	
McLean Solar 1 LLC	Delaware	- USD	-	-	-	-	-	63.73%	
McLean Solar 2 LLC	Delaware	6,551,828 USD	6,367	672	5,695	211	-17	63.73%	
ME Dover Foxcroft Solar LLC	Delaware	603,910 USD	587	23	564	-	-1	63.73%	
ME Ellsworth Solar LLC	Delaware	876,325 USD	838	18	819	-	-1	63.73%	
ME New Vineyard Solar LLC	Delaware	256,035 USD	257	23	234	-	-6	63.73%	
ME Rocky Hill Solar LLC	Delaware	151,005 USD	155	15	140	-	-1	63.73%	
ME Sandy Hill Solar LLC	Delaware	183,998 USD	188	17	171	-	-1	63.73%	
Meadow Lake Wind Farm II LLC	Delaware	139,870,293 USD	123,516	14,143	109,372	11,899	-1,577	74.98%	
Meadow Lake Wind Farm III LLC	Delaware	83,486,641 USD	134,995	46,381	88,614	14,564	4,801	74.98%	
Meadow Lake Wind Farm IV LLC	Delaware	82,219,341 USD	108,071	37,945	70,126	9,919	1,909	74.98%	
Meadow Lake Wind Farm LLC	Delaware	178,975,610 USD	232,613	81,989	150,624	19,064	1,590	74.98%	
Meadow Lake Wind Farm VIII LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Mesquite Wind LLC	Delaware	90,157,530 USD	163,190	10,729	152,461	21,753	-1,287	74.98%	
MidCoast C2 Solar LLC	Delaware	984 USD	-	-	-	-	-1	63.73%	
Mineral Springs Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Misenheimer Solar LLC	Delaware	26,583,616 USD	40,825	15,902	24,924	-	-	74.98%	
MMA Belmar Power LP	Delaware	671,865 USD	917	264	654	27	24	63.73%	
MMA BWS Power LP	Delaware	313,854 USD	393	74	319	20	25	63.73%	
MMA CCC Power LP	Delaware	152,571 USD	162	35	147	5	4	63.73%	
MMA DAS Power LP	Delaware	950,107 USD	1,008	98	910	22	19	63.73%	
MMA Fresno Power LP	Delaware	575,006 USD	795	211	573	36	35	63.73%	
MMA GDC Power LP	Delaware	727,614 USD	763	49	714	34	32	63.73%	
MMA Happy Valley Power LP	Delaware	163,688 USD	164	13	171	19	18	63.73%	
MMA LHV Power LP	Delaware	229,945 USD	267	45	222	8	7	63.73%	
MMA MDS Power I LP	Delaware	562,520 USD	652	119	533	7	5	63.73%	
MMA MDS Power II LP	Delaware	1,707,691 USD	1,993	377	1,615	19	15	63.73%	
MMA MDS Power IV LP	Delaware	433,550 USD	525	91	434	29	27	63.73%	
MMA Mission Bay Power LP	Delaware	156,451 USD	164	31	164	18	17	63.73%	
MMA Renewable Ventures Solar Fund III LLC	Delaware	9,177,801 USD	8,699	91	8,607	-	-	63.73%	
MMA Rita Power LLC	Delaware	428,485 USD	458	35	422	29	21	63.73%	
MMA RMS Power LP	Delaware	514,713 USD	620	114	507	22	24	63.73%	
MMA Solar Fund III GP Sub	Delaware	- USD	-	-	-	-	-	63.73%	
MMA SROSA Power LP	Delaware	501,583 USD	575	94	481	12	11	63.73%	
MMA WBF Power LP	Delaware	1,171,108 USD	1,209	85	1,124	29	26	63.73%	
MN CSG 2 LLC	Delaware	10,178,129 USD	9,728	501	9,227	441	-198	63.73%	
Mohave Power Holdings LLC	Delaware	29,765,967 USD	27,907	-	27,907	-	-	63.73%	
Mohave Power LLC	Delaware	30,270,351 USD	32,053	4,174	27,879	-	-507	63.73%	
Moonshine Solar Park LLC	Delaware	3,629 USD	-	-1	2	-	-2	74.98%	
Morgan Road Solar East LLC	Delaware	3,127,287 USD	2,970	45	2,925	17	17	63.73%	
Morgan Road Solar West LLC	Delaware	2,884,270 USD	2,739	42	2,697	17	17	63.73%	
MT Plentywood Solar I LLC	Delaware	6,287 USD	-	-	-	-	-6	63.73%	
MT Plentywood Solar II LLC	Delaware	4,649 USD	-	-	-	-	-4	63.73%	
NC Loy Farm Solar LLC	Delaware	0 USD	-	-	-	-	-	63.73%	
ND Crystal Solar I LLC	Delaware	732 USD	-	-	-	-	-1	63.73%	
New Road Power LLC	Delaware	- USD	-	-	-	-	-	74.98%	
New Scotland 5 Solar LLC	Delaware	472 USD	-	-	-	-	-	63.73%	
New Trail Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
NH Hinsdale Solar LLC	Delaware	- USD	-	-	-	-	-	63.73%	
Nine Kings Transco LLC	Delaware	- USD	-	-	-	-	-	74.98%	
North Coast Highway Solar 1 LLC	Delaware	186,766 USD	199	24	175	-	-	63.73%	
North Coast Highway Solar 2 LLC	Delaware	197,632 USD	203	18	185	-	-	63.73%	
North Slope Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Norton Solar I LLC	Delaware	1,522,897 USD	1,859	23	1,836	277	186	63.73%	
Norton Solar II LLC	Delaware	1,636,731 USD	1,845	22	1,824	273	237	63.73%	
Number Nine Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
NV Solar Sparks LLC	Delaware	148,480 USD	132	28	104	-	-36	63.73%	
NY Broadway SAS LLC	Delaware	346 USD	-	-	-	-	-	63.73%	
NY CSG 2 Holdings LLC	Delaware	6,896,030 USD	32,308	20,428	11,880	-	-115	63.73%	
NY CSG 2 Sponsor LLC	Delaware	6,903,335 USD	6,465	-	6,465	-	-1	63.73%	
NY Gomer SAS LLC	Delaware	346 USD	-	-	-	-	-	63.73%	
NY Hemlock Hills Solar LLC	Delaware	566,169 USD	556	27	530	-	5	63.73%	
NY Highland SAS LLC	Delaware	346 USD	-	-	-	-	-	63.73%	
NY Mines Press Solar LLC	Delaware	3,761,933 USD	7,800	4,374	3,426	321	-103	63.73%	
NY Morgan Solar LLC	Delaware	5,990,553 USD	5,636	3	5,633	-	15	63.73%	
NY OGI Solar LLC	Delaware	1,298 USD	-	-	-	-	-1	63.73%	
Old Trail Wind Farm LLC	Delaware	83,097,066 USD	216,192	18,563	197,629	39,029	14,665	38.24%	
Omega CSG1 LLC	Delaware	18,227,628 USD	20,296	1,159	19,137	-	-195	63.73%	
OPQ Property LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Pacific Southwest Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Pauding Wind Farm II LLC	Delaware	48,531,721 USD	136,498	20,403	116,095	22,156	11,434	38.24%	
Pauding Wind Farm III LLC	Delaware	145,300,618 USD	178,765	19,392	159,374	12,794	7,592	74.98%	
Pauding Wind Farm IV LLC	Delaware	206,461,014 USD	214,987	29,359	185,628	8,858	-3,226	74.98%	
Pauding Wind Farm V LLC	Delaware	35,360 USD	-	1	-	-	-	74.98%	
Pauding Wind Farm VI LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Pearl River Solar Park LLC	Delaware	38,666,056 USD	87,190	50,939	36,251	-	-	74.98%	
Penn Yan Solar I LLC	Delaware	8,494,161 USD	9,854	1,953	7,901	195	225	63.73%	
Peterson Power Partners LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Pioneer Prairie Wind Farm I LLC	Delaware	156,595,191 USD	330,156	35,570	294,586	52,742	15,393	38.24%	
Piscataquis Valley Solar LLC	Delaware	625,896 USD	587	-	586	-	-	63.73%	
Pleasantville Solar Park LLC	Delaware	2,034 USD	-	-	-	-	-2	74.98%	
Plum Nellie Wind Farm LLC	Delaware	3,994,567 USD	4,182	496	3,686	-	-53	74.98%	
Poplar Camp Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Post Oak Wind LLC	Delaware	96,705,927 USD	179,909	10,642	169,267	21,507	-1,527	38.24%	
Potsdam Community Solar LLC	Delaware	7,763,333 USD	8,070	792	7,278	124	19	63.73%	
Prospector Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Quilt Block Wind Farm II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Ragsdale Solar II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Ragsdale Solar LLC	Delaware	440 USD	-	2	-2	-	-3	74.98%	
Rail Splitter Wind Farm II LLC	Delaware	440 USD	-	-	-	-	-	74.98%	
Rail Splitter Wind Farm LLC	Delaware	187,663,764 USD	132,762	16,252	116,511	15,679	1,748	74.98%	
Randolph Solar Park LLC	Delaware	31,854,638 USD	62,044	32,315	29,729	-	-103	74.98%	
RE Scarlet LLC	Delaware	38,710,354 USD	43,061	21,393	21,667	-	-14,814	74.98%	
REA-C2 2016 Lessee LLC	Delaware	8,064,640 USD	7,104	15	7,089	-	-734	63.73%	
Rejoj del Sol Wind Farm LLC	Delaware	324,071,033 USD	314,508	40,246	274,263	6,336	-4,470	74.98%	
Renewable Ventures Solar Fund V GP LLC	Delaware	19,477,859 USD	18,262	-	18,262	-	-	63.73%	
Renewable Ventures Solar Fund V LLC	Delaware	19,477,859 USD	18,296	35	18,262	-	-	63.73%	
Renewable Ventures V Equity Holdings LLC	Delaware	19,510,442 USD	18,262	-	18,262	-	-31	63.73%	
Renewable Ventures V GP Holdings LLC	Delaware	0 USD	-	-	-	-	-	63.73%	
Renville County Wind Farm LLC	Delaware	1,928,096 USD	1,876	68	1,808	-	-	74.98%	
RevEnergy C2 Franklin LLC	Delaware	1,756,712 USD	1,982	190	1,792	237	183	63.73%	
Ri Abrova Solar LLC	Delaware	5,531,828 USD	7,835	2,830	5,005	-	-101	63.73%	
Ri- Moo Cow	Delaware	4,094,525 USD	3,901	62	3,840	-	-3	63.73%	
Ri Quarry Solar LLC	Delaware	282,972 USD	278	14	263	-	-2	63.73%	
Ri Sposato Solar LLC	Delaware	142,837 USD	1,785	1,662	123	82	-11	63.73%	
Ri Stainless LLC	Delaware	- USD	-	-	-	-	-	63.73%	
Rio Blanco Wind Farm LLC	Delaware	3,092,587 USD	2,901	2	2,899	-	-	74.98%	

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Rising Tree Wind Farm II LLC	Delaware	21,137,519 USD	29,236	2,228	27,008	3,094	732	38.24%	
Rising Tree Wind Farm III LLC	Delaware	109,827,588 USD	159,125	2,940	156,185	21,511	8,226	38.24%	
Rising Tree Wind Farm LLC	Delaware	74,807,312 USD	126,830	2,512	124,318	18,640	8,564	38.24%	
Riverstart Solar Park II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Riverstart Solar Park III LLC	Delaware	7,812,399 USD	61,091	53,806	7,285	-	-	74.98%	
Riverstart Solar Park IV LLC	Delaware	4,488,600 USD	5,738	1,531	4,207	-	-2	74.98%	
Riverstart Solar Park V LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Riverstart Solar Park VIII LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Rock Dane Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Rolling Upland Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Rose Run Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Rosewater Ventures LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Route 13 Solar LLC	Delaware	7,200,222 USD	6,790	760	6,030	73	-285	63.73%	
Route 149 LLC	Delaware	2,597,152 USD	2,564	181	2,382	158	-28	63.73%	
RS Holyoke 3 LLC	Delaware	1,777,386 USD	1,828	142	1,686	200	122	63.73%	
RSBF Jeffco II LLC	Delaware	2,342,089 USD	2,234	51	2,183	262	-10	63.73%	
RTSW Solar Park II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
RTSW Solar Park III LLC	Delaware	- USD	-	-	-	-	-	74.98%	
RTSW Solar Park IV LLC	Delaware	- USD	-	-	-	-	-	74.98%	
RTSW Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
RTSW Solar Park V LLC	Delaware	- USD	-	-	-	-	-	74.98%	
RTSW Solar Park VIII LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Rush County Wind Farm LLC	Delaware	2,877,443 USD	2,727	29	2,698	-	-	74.98%	
RV CSJ Power LLC	Delaware	4,938,460 USD	5,128	124	5,004	556	379	63.73%	
Rye Patch Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Saddleback Wind Power Project LLC	Delaware	1,254,487 USD	8	4	4	-	-	74.98%	
Sagebrush Power Partners LLC	Delaware	133,054,664 USD	129,634	10,065	119,569	14,575	2,983	74.98%	
Sailer Springs Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Salt Lick Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
San Clemente Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Sandrini LandCo LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Sardinia Windpower LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Sawmill Junction Solar Park LLC	Delaware	440 USD	-	-	-	-	-	74.98%	
SC Beaufort Jasper Solar LLC	Delaware	10,668 USD	36	37	-1	-	-10	63.73%	
SC Heathwood Hall Solar LLC	Delaware	10,693 USD	-	-	-	-	-10	63.73%	
SC Southern Wesleyan Solar LLC	Delaware	- USD	-	-	-	-	-	63.73%	
Sedge Meadow Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Shields Drive LLC	Delaware	2,502,340 USD	2,374	81	2,293	137	-15	63.73%	
Shullsburg Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Shy Place Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Signal Hill Wind Power Project LLC	Delaware	4,502 USD	-	-	-	-	-	74.98%	
Simpson Ridge Wind Farm II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Simpson Ridge Wind Farm III LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Simpson Ridge Wind Farm IV LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Simpson Ridge Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Simpson Ridge Wind Farm V LLC	Delaware	- USD	-	-	-	-	-	74.98%	
SLX Project 1080 LLC	Delaware	1,519,425 USD	1,715	157	1,558	177	58	63.73%	
Smart Sunscribe LLC	Delaware	1,235 USD	-	-	-	-	-1	63.73%	
Solar Ventures Purchasing LLC	Delaware	- USD	1,627	2,423	-796	-	-	74.98%	
Soteria Solar Services LLC	Delaware	4,308,269 USD	3,627	23	3,604	-	-190	63.73%	
Spruce Ridge Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Stinson Mills Wind Farm LLC	Delaware	4,671,418 USD	4,326	39	4,287	-	-	74.98%	
Strawberry Solar Farm LLC	Delaware	3,471,036 USD	3,747	540	3,207	122	15	63.73%	
Sugar Plum Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
SunE Bristol MS LLC	Delaware	- USD	1	1	-	-	-	63.73%	
SunE CPA CDC2 LLC	Delaware	- USD	18	18	-	-	-	63.73%	
SunE CPA CSU5 LLC	Delaware	95,550 USD	161	53	108	30	18	63.73%	
SunE CPA CTS1 LLC	Delaware	215,876 USD	245	42	203	24	-	63.73%	
SunE Fairfield SSD LLC	Delaware	- USD	2	2	-	-	-	63.73%	
SunE H3 Holdings LLC	Delaware	2,921,661 USD	4,286	1,100	3,186	462	452	63.73%	
SunE Lakeland Center LLC	Delaware	- USD	7	7	-	-	-	63.73%	
SunE MCPS Clarksburg LLC	Delaware	- USD	-	-	-	-	-	63.73%	
SunE MCPS FSK LLC	Delaware	- USD	-	-	-	-	-	63.73%	
SunE MCPS Gardens LLC	Delaware	- USD	-	-	-	-	-	63.73%	
SunE MCPS Lakelands LLC	Delaware	- USD	-	-	-	-	-	63.73%	
SunE MCPS Montgomery LLC	Delaware	- USD	-	-	-	-	-	63.73%	
SunE MCPS Parkland LLC	Delaware	- USD	-	-	-	-	-	63.73%	
SunE MCPS Quince Orchard LLC	Delaware	- USD	-	-	-	-	-	63.73%	
SunE MCPS Shriver LLC	Delaware	- USD	-	-	-	-	-	63.73%	
SunE Multnomah JBY LLC	Delaware	- USD	-	-	-	-	-	63.73%	
SunE Multnomah JJC LLC	Delaware	- USD	-	-	-	-	-	63.73%	
SunE NC Progress1 LLC	Delaware	- USD	11	11	-	-	-	63.73%	
SunE NLB-2 LLC	Delaware	- USD	18	18	-	-	-	63.73%	
SunE PD Oak LLC	Delaware	- USD	-	-	-	-	-	63.73%	
SunE PD Sycamore LLC	Delaware	- USD	-	-	-	-	-	63.73%	
SunE PD Willow LLC	Delaware	- USD	-	-	-	-	-	63.73%	
SunE PNMC Roof LLC	Delaware	- USD	-	-	-	-	-	63.73%	
SunE Solar IV LLC	Delaware	-1,094,829 USD	1,967	2,997	-1,030	-	-3	63.73%	
SunE Solar VII LLC	Delaware	1,861,877 USD	1,759	13	1,746	-	-	63.73%	
SunE Solar XII LLC	Delaware	30,716,453 USD	28,836	38	28,798	-	-	63.73%	
SunE SR1 Arvada5 LLC	Delaware	- USD	7	7	-	-	-	63.73%	
SunE SR1 NREL LLC	Delaware	- USD	3	3	-	-	-	63.73%	
SunE SR1 Rifle PS LLC	Delaware	208,422 USD	337	39	298	124	104	63.73%	
SunE U6 Holdings LLC	Delaware	1,876,172 USD	11,475	9,734	1,741	246	-18	63.73%	
SunE W12DG-A LLC	Delaware	9,426,348 USD	9,828	882	8,946	155	10	63.73%	
SunE W12DG-B LLC	Delaware	6,569,071 USD	6,700	459	6,241	82	83	63.73%	
SunE W12DG-C LLC	Delaware	10,565,737 USD	11,320	1,171	10,149	271	246	63.73%	
SunE W12DG-D LLC	Delaware	2,733,999 USD	2,942	293	2,649	90	87	63.73%	
SunE WF3 KHL A Holdings LLC	Delaware	- USD	52	52	-	-	-	63.73%	
SunE WF3 KHL B Holdings LLC	Delaware	- USD	77	77	-	-	-	63.73%	
SunE WF3-BART Holdings LLC	Delaware	- USD	11	11	-	-	-	63.73%	
SunE WF3-Broomfield Holdings LLC	Delaware	- USD	3	3	-	-	-	63.73%	
SunE WF3-ST Holdings LLC	Delaware	- USD	43	43	-	-	-	63.73%	
SunE WF3-WG Holdings LLC	Delaware	- USD	32	32	-	-	-	63.73%	
SunE WMT PR2 LLC	Delaware	1,461,520 USD	1,501	135	1,367	-	-4	63.73%	
SunE H4 Holdings LLC	Delaware	1,930,752 USD	1,997	315	1,682	33	-129	63.73%	
SunE Solar III LLC	Delaware	-10,672,590 USD	4,508	14,516	-10,009	-	-2	63.73%	
Sustaining Power Solutions LLC	Delaware	179,062,013 USD	38,210	13,760	24,450	41,824	-32,007	74.98%	
Sweet Acres Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Sweet Stream Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Telocaset Wind Power Partners LLC	Delaware	- USD	93,013	9,647	83,366	19,797	8,359	38.24%	
Tillman Solar Park II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Tillman Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Tillman Storage LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Timber Road II Storage LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Timber Road III Storage LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Timber Road Solar Park II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Timber Road Solar Park III LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Timber Road Solar Park LLC	Delaware	10,525,325 USD	43,905	34,065	9,840	-	-3	74.98%	
Top Crop I Storage LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Top Crop II Storage LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Trolley Barn Storage LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Tug Hill Windpower LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Tumbleweed Wind Power Project LLC	Delaware	4,003 USD	-	-	-	-	-	74.98%	

Subsidiaries	Head Office	Share capital / Currency	Assets 31-Dec-22 Euro'000	Liabilities 31-Dec-22 Euro'000	Equity 31-Dec-22 Euro'000	Revenues 31-Dec-22 Euro'000	Net Profit/(Loss) 31-Dec-22 Euro'000	% Group	% Company
Turtle Creek Wind Farm LLC	Delaware	253,074,090 USD	281,628	23,376	258,252	21,063	6,526	74.98%	
Twin Groves I Storage LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Twin Groves II Storage LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Upper Road LLC	Delaware	2,371,783 USD	2,426	174	2,252	145	41	63.73%	
VA - Green Acres	Delaware	9,334 USD	-	-	-	-	-9	63.73%	
VT Stone Valley LLC	Delaware	1,286 USD	-	-	-	-	-1	63.73%	
Waverly Wind Farm II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Waverly Wind Farm LLC	Delaware	217,186,314 USD	255,330	17,262	238,069	22,504	4,356	38.24%	
Western Trail Wind Project I LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Wheat field Holding LLC	Delaware	- USD	-	32,649	-32,649	-	-2	38.24%	
Wheat field Wind Power Project LLC	Delaware	- USD	84,220	27,465	56,755	13,950	5,949	38.24%	
Whiskey Ridge Power Partners LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Whistling Wind WJ Energy Center LLC	Delaware	- USD	-	-	-	-	-	74.98%	
White Stone Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Whitestone Wind Purchasing LLC	Delaware	- USD	404,462	403,246	1,216	-	-2,204	74.98%	
Wildcat Creek Wind Farm LLC	Delaware	260,126,085 USD	267,005	25,235	241,770	23,459	-2,198	74.98%	
Wilson Creek Power Project LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Wind Turbine Prometheus LP	Delaware	5,990 USD	-	-	-	-	-	74.98%	
Wolf Run Solar LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Wrangler Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
WTP Management Company LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Canada:									
Blue Bridge Solar Park GP Ltd	British Columbia	- CAD	-	-	-	-	-	74.98%	
Blue Bridge Solar Park LP	British Columbia	- CAD	83	340	-257	-	-45	74.98%	
Bromhead Solar Park GP Ltd	British Columbia	- CAD	-	-	-	-	-	74.98%	
Bromhead Solar Park LP	Saskatchewan	- CAD	83	340	-257	-	-45	74.98%	
Edgeware BESS Project GP Ltd.	British Columbia	- CAD	-	-	-	-	-	74.98%	
Edgeware BESS Project LP	Ontário	- CAD	-	-	-	-	-	74.98%	
EDP Renewables Canada Ltd.	British Columbia	205,314,085 CAD	151,829	14,291	137,538	35	-1,786	74.98%	
EDP Renewables Canada Management Services Ltd	British Columbia	- CAD	6,638	9,273	-2,636	1,039	-	74.98%	
EDP Renewables Sask. SE GP Ltd	British Columbia	- CAD	-	-	-	-	-	74.98%	
EDP Renewables Sask. SE I Limited Partnership	Ontário	- CAD	-	962	-962	-	-262	74.98%	
EDP Renewables SH I Project GP Ltd	British Columbia	- CAD	-	-	-	-	-	74.98%	
EDP Renewables SH I Project LP	Alberta	- CAD	-	-	-	-	-	74.98%	
EDP Renewables Sharp Hills Project GP Ltd.	British Columbia	4,896 CAD	3	2	2	-	-2	74.98%	
EDP Renewables Sharp Hills Project LP	Alberta	48,962,280 CAD	216,550	179,604	38,946	-	-924	74.98%	
Halbritte Solar Park GP Ltd	British Columbia	- CAD	-	-	-	-	-	74.98%	
Halbritte Solar Park LP	Saskatchewan	- CAD	83	340	-257	-	-45	74.98%	
Kennedy Wind Farm GP Ltd	British Columbia	- CAD	-	-	-	-	-	74.98%	
Kennedy Wind Farm LP	Saskatchewan	- CAD	83	340	-257	-	-45	74.98%	
Nation Rise Wind Farm GP Inc.	British Columbia	1,690 CAD	10	33	-23	-	-6	74.98%	
Nation Rise Wind Farm LP	Ontário	74,644,443 CAD	212,993	151,647	61,346	14,809	3,016	37.48%	
SBVFP GP Inc.	British Columbia	-336 CAD	1	1	1	-	-	38.24%	
Sounding Creek Solar Park GP Ltd.	British Columbia	- CAD	-	-	-	-	-	74.98%	
Sounding Creek Solar Park LP	Alberta	- CAD	-	-	-	-	-	74.98%	
South Branch Wind Farm II GP Inc.	British Columbia	- CAD	-	-	-	-	-	74.98%	
South Branch Wind Farm II LP	Ontário	602,379 CAD	1,716	1,805	-88	-	-72	74.98%	
South Dundas Wind Farm LP	Ontário	0 CAD	47,390	19,655	27,735	8,226	4,192	38.24%	
Mexico:									
EDPR Servicios de México, S. de R.L. de C.V.	Mexico City	160,535,656 MXN	6,843	1,403	5,440	1,867	-63	74.98%	
Éolica de Coahuila, S.A. de C.V.	Mexico City	7,792,042 USD	279,970	234,499	45,471	51,716	5,333	38.24%	
Parque Solar Los Cuervos, S. de R.L. de C.V.	Mexico City	180,244,480 USD	244,000	70,271	173,728	3,928	5,014	74.98%	
Vientos de Coahuila, S.A. de C.V.	Mexico City	145,694,263 USD	196,791	66,920	129,871	-	-4,651	74.98%	
South America Geography / Platform:									
Brazil:									
EDP Renováveis Brasil, S.A. (EDPR BR Subgroup Parent Company)	São Paulo	3,149,472,300 BRL	671,229	199,764	671,465	412	89,740	74.98%	
Central Eólica Amanhecer I, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Eólica Amanhecer II, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Eólica Amanhecer III, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Eólica Amanhecer IV, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Eólica Amanhecer V, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Eólica Amanhecer VI, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Eólica Amanhecer VII, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Eólica Asas de Zabelê I, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Eólica Asas de Zabelê II, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Eólica Asas de Zabelê III, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Eólica Asas de Zabelê IV, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Eólica Asas de Zabelê V, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Eólica Asas de Zabelê VI, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Eólica Asas de Zabelê VII, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Eólica Aventura I, S.A.	São Paulo	81,678,829 BRL	24,930	9,647	15,283	2,793	-751	38.24%	
Central Eólica Baixa do Feijão I, S.A.	São Paulo	39,216,713 BRL	22,869	13,674	9,195	3,042	-135	38.24%	
Central Eólica Baixa do Feijão II, S.A.	São Paulo	40,551,200 BRL	22,519	12,728	9,791	2,972	23	38.24%	
Central Eólica Baixa do Feijão III, S.A.	São Paulo	67,416,713 BRL	25,817	14,054	11,764	2,894	-531	38.24%	
Central Eólica Baixa do Feijão IV, S.A.	São Paulo	44,433,110 BRL	22,095	13,045	9,050	2,704	-329	38.24%	
Central Eólica Boqueirão I, S.A.	São Paulo	100,213,500 BRL	41,753	24,451	17,303	4,455	-467	74.98%	
Central Eólica Boqueirão II, S.A.	São Paulo	70,245,500 BRL	34,041	21,993	12,048	3,663	-410	74.98%	
Central Eólica Borborema I, S.A.	São Paulo	50 BRL	-	2	-2	-	-2	74.98%	
Central Eólica Borborema II, S.A.	São Paulo	50 BRL	-	2	-2	-	-2	74.98%	
Central Eólica Borborema III, S.A.	São Paulo	50 BRL	-	2	-2	-	-2	74.98%	
Central Eólica Borborema IV, S.A.	São Paulo	50 BRL	-	2	-2	-	-2	74.98%	
Central Eólica Catanduba I, S.A.	São Paulo	500 BRL	7,781	7,882	-102	-	-105	74.98%	
Central Eólica Catanduba II, S.A.	São Paulo	500 BRL	5,375	5,212	163	-	-29	74.98%	
Central Eólica Itaúna I, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Eólica Itaúna II, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Eólica JAU, S.A.	São Paulo	174,051,904 BRL	73,836	32,928	40,908	8,588	-251	38.24%	
Central Eólica Jerusalém I, S.A.	São Paulo	33,337,722 BRL	25,419	19,925	5,494	-	-400	74.98%	
Central Eólica Jerusalém II, S.A.	São Paulo	33,337,722 BRL	24,466	18,964	5,503	-	-398	74.98%	
Central Eólica Jerusalém III, S.A.	São Paulo	33,337,722 BRL	38,828	33,357	5,471	-	-427	74.98%	
Central Eólica Jerusalém IV, S.A.	São Paulo	33,337,722 BRL	25,018	19,513	5,504	-	-396	74.98%	
Central Eólica Jerusalém V, S.A.	São Paulo	33,337,722 BRL	25,419	19,914	5,505	-	-396	74.98%	
Central Eólica Jerusalém VI, S.A.	São Paulo	38,300,511 BRL	28,571	22,237	6,334	-	-448	74.98%	
Central Eólica Monte Verde I, S.A.	Lagoa Nova	58,947,000 BRL	58,878	49,344	9,534	-	-918	74.98%	
Central Eólica Monte Verde II, S.A.	Lagoa Nova	58,947,000 BRL	63,829	54,294	9,535	-	-924	74.98%	
Central Eólica Monte Verde III, S.A.	Lagoa Nova	51,578,600 BRL	55,876	47,548	8,328	-	-815	74.98%	
Central Eólica Monte Verde IV, S.A.	Lagoa Nova	40,526,000 BRL	60,908	54,392	6,517	-	-666	74.98%	
Central Eólica Monte Verde V, S.A.	Lagoa Nova	29,473,400 BRL	33,712	28,956	4,756	-	-468	74.98%	
Central Eólica Monte Verde VI, S.A.	Lagoa Nova	38,466,600 BRL	44,196	37,933	6,262	4,402	-546	74.98%	
Central Eólica São Domingos I, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Eólica São Domingos II, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Eólica São Domingos III, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Geradora Fotovoltaica Monte Verde Solar I, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Geradora Fotovoltaica Monte Verde Solar II, S.A.	São Paulo	5,699,130 BRL	1,475	2,184	-710	-	-7	74.98%	
Central Geradora Fotovoltaica Monte Verde Solar III, S.A.	São Paulo	5,699,130 BRL	2,780	3,488	-709	-	-7	74.98%	
Central Geradora Fotovoltaica Monte Verde Solar IV, S.A.	São Paulo	5,699,130 BRL	1,298	2,008	-709	-	-7	74.98%	
Central Geradora Fotovoltaica Monte Verde Solar V, S.A.	São Paulo	5,699,130 BRL	1,297	2,007	-709	-	-7	74.98%	
Central Geradora Fotovoltaica Monte Verde Solar VI, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Geradora Fotovoltaica Monte Verde Solar VII, S.A.	São Paulo	5,699,130 BRL	1,222	1,930	-708	-	-6	74.98%	
Central Nacional de Energia Eólica, S.A.	São Paulo	12,396,000 BRL	5,069	1,430	3,639	2,303	1,343	38.24%	
Central Solar Lagoa I, S.A.	São Paulo	1,010,000 BRL	715	565	151	-	-28	74.98%	

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Central Solar Lagoa II, S.A.	São Paulo	1010,000 BRL	696	545	151	-	-28	74.98%	
Central Solar Novo Oriente I, S.A.	São Paulo	1000,500 BRL	406	490	-84	-	-9	74.98%	
Central Solar Novo Oriente II, S.A.	São Paulo	1000,500 BRL	387	471	-84	-	-9	74.98%	
Central Solar Novo Oriente III, S.A.	São Paulo	1000,500 BRL	387	471	-84	-	-9	74.98%	
Central Solar Novo Oriente IV, S.A.	São Paulo	1000,500 BRL	380	460	-80	-	-5	74.98%	
Central Solar Novo Oriente V, S.A.	São Paulo	1000,500 BRL	398	510	-112	-	-4	74.98%	
Central Solar Novo Oriente VI, S.A.	São Paulo	1000,500 BRL	380	491	-112	-	-4	74.98%	
Central Solar Pereira Barreto I, S.A.	Pereira Barreto	39,317,000 BRL	30,387	21,987	8,400	3,189	18	74.98%	
Central Solar Pereira Barreto II, S.A.	Pereira Barreto	102,597,000 BRL	29,312	9,582	19,750	3,213	357	74.98%	
Central Solar Pereira Barreto III, S.A.	Pereira Barreto	34,747,000 BRL	37,239	30,032	7,207	3,005	-1	74.98%	
Central Solar Pereira Barreto IV, S.A.	Pereira Barreto	54,747,000 BRL	30,164	19,703	10,460	2,797	71	74.98%	
Central Solar Pereira Barreto V, S.A.	Pereira Barreto	14,035,000 BRL	28,270	26,121	2,150	2,294	-229	74.98%	
Central Solar Presidente JK I, S.A.	São Paulo	3,188,368 BRL	3	1	2	-	-	74.98%	
Central Solar Presidente JK II, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Solar Presidente JK III, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Solar Presidente JK IV, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Solar Presidente JK V, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Solar Presidente JK VI, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Solar Presidente JK VII, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Solar Presidente JK VIII, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Solar Presidente JK IX, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Solar Presidente JK X, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Solar Presidente JK XI, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Solar Presidente JK XII, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Solar Zebu I, S.A.	São Paulo	3,599,022 BRL	553	-	553	-	-	74.98%	
Central Solar Zebu II, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Solar Zebu III, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Solar Zebu IV, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Solar Zebu V, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Solar Zebu VI, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Solar Zebu VII, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Solar Zebu VIII, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Solar Zebu IX, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Elebrás Projetos, S.A.	São Paulo	103,779,268 BRL	46,743	16,493	30,250	26,088	13,028	98.24%	
Edílica Barra I, S.A.	Rio Grande do Norte	50 BRL	-	-	-	-	-	74.98%	
Edílica Barra II, S.A.	Rio Grande do Norte	50 BRL	-	-	-	-	-	74.98%	
Edílica Barra III, S.A.	Rio Grande do Norte	50 BRL	-	-	-	-	-	74.98%	
Edílica Barra IV, S.A.	Rio Grande do Norte	50 BRL	-	-	-	-	-	74.98%	
Edílica Barra V, S.A.	Rio Grande do Norte	50 BRL	-	-	-	-	-	74.98%	
Edílica Barra VI, S.A.	Rio Grande do Norte	50 BRL	-	-	-	-	-	74.98%	
Edílica Barra VII, S.A.	Rio Grande do Norte	50 BRL	-	-	-	-	-	74.98%	
Edílica Barra VIII, S.A.	Rio Grande do Norte	50 BRL	-	-	-	-	-	74.98%	
Edílica Barra IX, S.A.	Rio Grande do Norte	50 BRL	-	-	-	-	-	74.98%	
Edílica Barra X, S.A.	Rio Grande do Norte	50 BRL	-	-	-	-	-	74.98%	
Edílica Barra XI, S.A.	Rio Grande do Norte	50 BRL	-	-	-	-	-	74.98%	
Jerusalém Holding, S.A.	São Paulo	204,786,616 BRL	157,656	123,917	33,739	-	-2,473	74.98%	
Monte Verde Holding, S.A.	São Paulo	277,879,100 BRL	130,956	86,082	44,874	-	-4,347	74.98%	
Solar Barra I, S.A.	Rio Grande do Norte	50 BRL	-	-	-	-	-	74.98%	
Solar Barra II, S.A.	Rio Grande do Norte	50 BRL	-	-	-	-	-	74.98%	
Solar Barra III, S.A.	Rio Grande do Norte	50 BRL	-	-	-	-	-	74.98%	
Solar Barra IV, S.A.	Rio Grande do Norte	50 BRL	-	-	-	-	-	74.98%	
Colombia:									
Elipse Energía, S.A.S. E.S.P.	Bogotá	253,202,000 COP	239	956	-717	-	-527	74.98%	
Eolos Energía, S.A.S. E.S.P.	Bogotá	22,213,675,600 COP	288,186	266,109	22,077	51,923	-22,506	74.98%	
Kappa Energía, S.A.S. E.S.P.	Bogotá	251,632,000 COP	232	932	-700	-	-509	74.98%	
Omega Energía, S.A.S. E.S.P.	Bogotá	251,569,000 COP	240	930	-689	-	-497	74.98%	
Parque Solar Fotovoltaico El Copey, S.A.S. E.S.P.	Bogotá	1,270,000,000 COP	432	843	-211	-	-521	74.98%	
Solar Power Solutions, S.A.S. E.S.P.	Bogotá	1,031,027,955 COP	1,769	931	838	-	-503	74.98%	
Vientos del Norte, S.A.S. E.S.P.	Bogotá	19,126,733,800 COP	256,444	238,239	18,205	44,236	-20,530	74.98%	
Chile:									
EDP Renewables Chile, SpA	Santiago	6,961,123 USD	21,269	16,457	4,813	3,116	-1,397	74.98%	
Los Llanos Solar, SpA	Santiago	592 USD	718	1,735	-1,017	-	-547	74.98%	
Parque Eólico Punta de Talca, SpA	Santiago	358,551 USD	25,226	27,709	-2,483	-	-1,388	74.98%	
Parque Eólico San Andrés, SpA	Santiago	438,894 USD	4,389	5,122	-732	-	-389	74.98%	
Parque Eólico Victoria, SpA	Santiago	1,311,374 USD	162	775	-612	-	-354	74.98%	
Asia-Pacific Geography / Platform:									
Australia:									
Sunseap Assets (Australia) Pty. Ltd.	Balwyn, Victoria	20,000 AUD	13	13	1	-	-3	74.98%	
Sunseap Australia Investments Pty. Ltd.	Balwyn, Victoria	3,000,000 AUD	116	1,490	-1,374	-	-66	74.98%	
Sunseap Australia Pty. Ltd.	Balwyn, Victoria	1 AUD	18	733	-715	-	-47	74.98%	
China:									
Changzhou Jingyi New Energy Technology Co., Ltd.	Changzhou City	6,850 CNY	3,454	2,053	1,401	323	35	67.64%	
Chongqing Xingzhi New Energy Technology Co., Ltd.	Chongqing City	- CNY	-	-	-	-	-	74.98%	
Dongguan Jiehuang New Energy Technology Co., Ltd.	Dongguan City	4,505,191 CNY	2,275	1,665	610	-	-2	74.98%	
Dongying Daoli New Energy Co., Ltd.	Dongying City	2,903,000 CNY	1,672	1,281	390	-	-1	74.98%	
Foshan Yingyuan New Energy Technology Co., Ltd.	Foshan City	100 CNY	839	596	243	89	14	67.64%	
Hefei Yiman New Energy Technology Co., Ltd.	Hefei City	1,333 CNY	547	323	224	78	31	67.64%	
Heze Dechen New Energy Co., Ltd.	Heze City	2,356,843 CNY	1,189	871	318	-	-2	74.98%	
Hubei Jianghui New Energy Co., Ltd.	Jingzhou City	5,030,000 CNY	1,178	498	681	-	-3	74.98%	
Jinan Xingsheng Energy Co., Ltd.	Jinan City	12,744,949 CNY	1,898	5	1,893	-	177	74.98%	
Jining Yihang New Energy Technology Co., Ltd.	Jining City	17,618 CNY	8,972	6,410	2,561	825	94	67.64%	
Liyang Yushun Power New Energy Co., Ltd.	Liyang City	2,950 CNY	3,091	1,806	1,285	461	195	67.64%	
Nantong Eaton Guoyun Photovoltaic New Energy Co., Ltd.	Nantong City	1,940 CNY	736	410	326	113	56	64.26%	
Ningbo Jiangbei Baoyi LP	Ningbo city	1,095,945 CNY	390	9	381	89	79	44.99%	
Qingdao Xingqi Energy Co., Ltd.	Qingdao	1,047,444 CNY	553	412	140	-	-2	74.98%	
Qinghe County Xinou Funeng New Energy Technology Co., Ltd.	Xingtai City	3,026,308 CNY	1,867	1,457	409	-	-2	74.98%	
Rongcheng Xingyi New Energy Technology Co., Ltd.	Weihai City	7,505,764 CNY	1,033	38	996	-	-25	74.98%	
Shanghai Jingwen Equity Investment Center LP	Shanghai	64,500 CNY	8,263	509	7,753	-	-289	67.64%	
Shanghai Yihuang New Energy Technology Co., Ltd.	Shanghai	6,513 CNY	885	0	885	-	-	67.64%	
Shanghai Yikuang New Technology Co., Ltd.	Shanghai	29,110 CNY	3,958	0	3,958	-	-	67.64%	
State Cloud Sunseap Equity Investment Partnership LP	Jinan City	4,024,282 CNY	548	3	545	-	-2	60.13%	
Sunseap China Energy (Qingdao) Co., Ltd.	Qingdao	35,389 CNY	4	-	4	-	-1	74.98%	
Sunseap China Energy (Shanghai) Ltd.	Shanghai	67,036,914 CNY	11,234	1,323	9,912	1,037	-1,737	74.98%	
Suzhou Haoruitian Power New Energy Co., Ltd.	Kunshan City	1,640 CNY	1,039	763	277	109	60	67.64%	
Suzhou Liansong New Energy Technology Co., Ltd.	Suzhou City	- CNY	-	-	-	-	-	74.98%	
Suzhou Xingdao New Energy Technology Co., Ltd.	Suzhou City	1,602,571 CNY	799	584	215	-	-2	74.98%	
Suzhou Xingyi Energy Engineering Co., Ltd.	Suzhou City	1,418,256 CNY	758	567	191	-	-2	74.98%	
Tianjin Baoyi New Energy Technology Co., Ltd.	Tianjin City	2,077 CNY	1,325	981	344	109	39	67.64%	
Tianjin Xingrun Energy Development Co., Ltd.	Tianjin City	- CNY	-	-	-	-	-	74.98%	
Tianjin Xingsheng Energy Development Co., Ltd.	Tianjin City	- CNY	1	2	-2	-	-2	74.98%	
Tianjin Yuntong New Energy Technology Co., Ltd.	Tianjin City	15,000 CNY	2,394	-0	2,395	-	-0	67.64%	
Weihai Deao New Energy Technology Co., Ltd.	Weihai City	20,000 CNY	2	-	2	-	-1	74.98%	
Wenzhou Xingyi New Energy Technology Co., Ltd.	Wenzhou City	4,487 CNY	3,856	3,154	703	185	95	67.64%	
Wuhan Panshuo Energy Technology Co., Ltd.	Wuhan City	4,880,000 CNY	2,155	1,494	662	-	-1	74.98%	
Wuxi Lingzhong New Energy Technology Co., Ltd.	Wuxi City	7,528,864 CNY	3,789	2,766	1,023	-	-	74.98%	
Yancheng Baoyi New Energy Technology Co., Ltd.	Yancheng City	3,035 CNY	497	37	460	51	32	67.64%	
Yancheng Qingneng Power Technology Co., Ltd.	Yancheng City	1,371,155 CNY	1,315	1,129	185	-	-1	74.98%	
Yuzhou Yixing Energy Technology Co., Ltd.	Yuzhou City	33,000 CNY	3	-	3	-	-2	74.98%	
Zhenjiang Ruichengda New Energy Co., Ltd.	Zhenjiang City	684,296 CNY	378	285	93	-	-	74.98%	

Subsidiaries	Head Office	Share capital / Currency	Assets 31-Dec-22 Euro'000	Liabilities 31-Dec-22 Euro'000	Equity 31-Dec-22 Euro'000	Revenues 31-Dec-22 Euro'000	Net Profit/(Loss) 31-Dec-22 Euro'000	% Group	% Company
Indonesia:									
PT Right People Renewable Energy	Jakarta	10,100,001,750 IDR	59	68	-8	-	-5	74.98%	
PT Sunseap Batam Energy	Kota Batam	10,000,000,000 IDR	2,495	2,250	246	-	-378	74.23%	
PT Sunseap Commercial Industrial Indonesia Asset	Jakarta	10,000,000,000 IDR	607	43	564	-	-37	74.23%	
Singapore:									
Data4Eco Holdings Pte. Ltd.	Singapore	50,000 SGD	15	59	-44	-	-32	44.99%	
EDPR Sunseap Korea Holdings Pte. Ltd.	Singapore	1 SGD	3	23	-20	-	-81	74.98%	
LYS Energy Investment Pte. Ltd.	Singapore	10,674,707 USD	9,950	2,055	7,895	-	-421	74.98%	
Solar PV Exchange Pte. Ltd.	Singapore	1,230,062 SGD	478	394	84	901	5	74.98%	
Solarland Alpha Assets Pte. Ltd.	Singapore	1 SGD	55,174	71,696	-16,521	38	-295	74.98%	
Solarland Alpha Holdings Pte. Ltd.	Singapore	1 SGD	40	67	-27	-	-7	74.98%	
SolarNova 4 Beta Assets Pte. Ltd.	Singapore	1 SGD	86,835	108,269	-21,434	3,209	195	74.98%	
SolarNova 4 Beta Holdings Pte. Ltd.	Singapore	1 SGD	37,966	37,983	-17	-	-6	74.98%	
SolarNova Phase 1 Pte. Ltd.	Singapore	1,000,001 SGD	72,116	60,824	11,291	9,409	3,792	74.98%	
Sunseap Australia Holdings Pte. Ltd.	Singapore	1 SGD	95	3,568	-3,473	-	-1,301	74.98%	
Sunseap Batam Pte. Ltd.	Singapore	1 SGD	884	1,076	-192	-	-9	74.98%	
Sunseap China Pte. Ltd.	Singapore	11,980,146 SGD	17,431	9,228	8,203	-	-48	74.98%	
Sunseap CMX RE Solar Holdings Pte. Ltd.	Singapore	10 SGD	55,749	41,985	13,764	-	3,305	74.98%	
Sunseap Commercial & Industrial Assets (S.E.A.) Holdings Pte. Ltd.	Singapore	100,000 SGD	5,114	5,275	-161	-	75	74.98%	
Sunseap Commercial Assets Pte. Ltd.	Singapore	138,490 SGD	39,952	39,955	-3	3,014	-93	74.98%	
Sunseap Commercial Holdings Pte. Ltd.	Singapore	1 SGD	12,842	12,968	-126	-	-8	74.98%	
Sunseap Delta Holdings Pte. Ltd.	Singapore	1 SGD	12	40	-28	-	-15	74.98%	
Sunseap Energy Pte. Ltd.	Singapore	5,000,000 SGD	15,322	58,223	-42,901	21,818	7,872	74.98%	
Sunseap Energy Ventures Pte. Ltd.	Singapore	1 SGD	3,199	4,001	-802	-	-505	74.98%	
Sunseap Engineering Pte. Ltd.	Singapore	2,100,001 SGD	73,697	75,307	-1,610	54,636	-5,262	74.98%	
Sunseap Gamma Assets Pte. Ltd.	Singapore	1 SGD	-	69	-69	-	-40	74.98%	
Sunseap Gamma Holdings Pte. Ltd.	Singapore	1 SGD	5	24	-19	-	-7	74.98%	
Sunseap Group Pte. Ltd.	Singapore	558,478,511 SGD	400,018	47,995	352,023	9,507	-9,842	74.98%	
Sunseap Indonesia Pte. Ltd.	Singapore	1 SGD	1,082	1,208	-125	-	-39	74.98%	
Sunseap International Pte. Ltd.	Singapore	28,190,145 SGD	112,586	107,616	4,970	95	-3,502	74.98%	
Sunseap Japan Pte. Ltd.	Singapore	1 SGD	6,422	6,802	-380	-	-18	74.98%	
Sunseap Leasing Alpha Pte. Ltd.	Singapore	1 SGD	43	92	-49	-	-8	74.98%	
Sunseap Leasing Beta Pte. Ltd.	Singapore	4,000,000 SGD	15,050	11,692	3,359	3,016	610	74.98%	
Sunseap Leasing Pte. Ltd.	Singapore	114,854,175 SGD	152,024	71,274	80,750	10,635	1,908	74.98%	
Sunseap Links Daklong Pte. Ltd.	Singapore	40 SGD	577	7,040	-6,464	-	-7	71.23%	
Sunseap Links Pte. Ltd.	Singapore	10 SGD	6,281	11,745	-5,464	-	17	59.98%	
Sunseap Philippines Solar Holdings Pte. Ltd.	Singapore	4,711,437 SGD	3,625	58	3,566	-	-8	74.98%	
Sunseap SolarNova Pte. Ltd.	Singapore	1 SGD	18,668	19,388	-720	-	-57	74.98%	
Sunseap Solutions Pte. Ltd.	Singapore	900,000 SGD	5,606	8,503	-2,897	2,702	-866	74.98%	
Sunseap Taiwan Pte. Ltd.	Singapore	1 SGD	15,468	15,430	39	-	229	74.98%	
Sunseap Vietnam Beta Pte. Ltd.	Singapore	1 SGD	10,233	10,460	-227	-	-35	74.98%	
Sunseap Vietnam Gamma Pte. Ltd.	Singapore	1 SGD	6,904	7,020	-116	-	-37	74.98%	
Sunseap Vietnam Pte. Ltd.	Singapore	52,613,649 SGD	36,333	756	35,577	-	-20	74.98%	
Sunseap Vpower Pte. Ltd.	Singapore	1 SGD	1,099	1,647	-548	1,062	240	74.98%	
Trung Song SG Pte. Ltd.	Singapore	10,674,707 USD	10,135	787	9,348	-	-440	74.98%	
Uper Renewable Energy (Singapore) Pte. Ltd.	Singapore	138,814 SGD	2,900	3,640	-739	2,030	-329	74.98%	
Thailand:									
Sunseap Energy (Thailand) Co., Ltd.	Bangkok	45,000,000 THB	1,429	1,077	353	-	-81	71.60%	
Thai-Sunseap Asset Co. Ltd.	Bangkok	68,000 THB	8,392	6,501	1,891	153	36,675	50.23%	
Thai-Sunseap Co., Ltd.	Bangkok	225,823 THB	5,471	25	5,446	99	-18,431	50.23%	
Thai-Sunseap Energy Solutions Co. Ltd.	Bangkok	250 THB	5	4	2	38	-32,791	50.23%	
Vietnam:									
Bien Dong Energy Investment Co., Ltd.	Long An Province	9,000,000 VND	753	500	253	102	11	74.98%	
CMX RE Sunseap Vietnam Solar Power Co., Ltd.	Ninh Thuan Province	1,065,557,560,000 VND	143,823	90,757	53,066	17,691	5,501	41.24%	
DKT Energy Investment Co., Ltd.	Ho Chi Minh City	103,900,000 VND	4,570	470	4,099	-	-25	74.98%	
EDP Renewables Vietnam Company Limited	Ho Chi Minh City	7,200,000,000 VND	5,179	7,671	-2,492	-	-1,800	74.98%	
H2A Co., Ltd.	Long An Province	9,000,000 VND	774	442	332	102	-2	74.98%	
H2HA Co., Ltd.	Long An Province	9,000,000 VND	774	467	306	87	-16	74.98%	
H2HD Co., Ltd.	Long An Province	9,000,000 VND	772	478	294	85	-18	74.98%	
H2HO Co., Ltd.	Long An Province	9,000,000 VND	772	457	315	90	-13	74.98%	
H2HU Co., Ltd.	Long An Province	9,000,000 VND	770	425	345	99	-3	74.98%	
H2K Co., Ltd.	Long An Province	9,000,000 VND	773	461	311	91	-12	74.98%	
H2ML Co., Ltd.	Long An Province	9,000,000 VND	769	434	335	96	-6	74.98%	
H2O Ben Luc Investment Co., Ltd.	Long An Province	8,600,000 VND	719	451	268	96	-4	74.98%	
H2S Co., Ltd.	Long An Province	9,000,000 VND	771	444	327	94	-9	74.98%	
H2T Co., Ltd.	Long An Province	9,000,000 VND	777	478	300	93	-10	74.98%	
H2TR Solar Co., Ltd.	Long An Province	9,000,000 VND	770	425	345	101	-1	74.98%	
H2VP Co., Ltd.	Long An Province	9,000,000 VND	777	462	316	99	-4	74.98%	
Hao Thanh Dat Investment Co., Ltd.	Long An Province	9,000,000 VND	746	495	251	100	8	74.98%	
Incim International Investment and Development Co., Ltd.	Long An Province	14,100,000 VND	1,444	883	561	222	46	74.98%	
Kim Cuong Energy Investment Co., Ltd.	Long An Province	9,000,000 VND	745	490	256	105	14	74.98%	
Long Dai Phat Investment Co., Ltd.	Ho Chi Minh City	71,539,000 VND	2,843	11	2,832	-	-9	74.98%	
Phu An Energy Investment Co., Ltd.	Long An Province	9,000,000 VND	741	491	250	99	8	74.98%	
Quang Lam Printing Import Export Co., Ltd.	Long An Province	12,360,000 VND	1,409	871	538	223	45	74.98%	
SSKT Beta Energy Co., Ltd.	Ho Chi Minh City	5,484,000 VND	942	632	310	118	43	44.24%	
STP5 Energy Production Trading Co., Ltd.	Ho Chi Minh City	13,031,646 VND	2,017	1,408	609	299	35	67.40%	
STP6 Energy Trading Technical Co., Ltd.	Ho Chi Minh City	14,609,528 VND	2,203	1,540	664	319	18	67.40%	
STP7 Energy Development Co., Ltd.	Ho Chi Minh City	4,511,677 VND	663	477	186	103	4	67.40%	
STP8 Energy Investment Co., Ltd.	Ho Chi Minh City	9,235,861 VND	1,451	1,040	411	215	18	67.40%	
Sun Times 1 Energy Co., Ltd.	Ho Chi Minh City	4,851,036 VND	706	502	204	106	4	67.40%	
Sun Times 3 Energy Co., Ltd.	Ho Chi Minh City	14,347,796 VND	2,307	1,648	659	321	35	67.40%	
Sun Times 4 Energy Co., Ltd.	Ho Chi Minh City	4,851,036 VND	704	508	196	100	-1	67.40%	
Sun Times 5 Energy Co., Ltd.	Ho Chi Minh City	14,008,437 VND	2,129	1,505	624	301	20	67.40%	
Sun Times 6 Energy Co., Ltd.	Ho Chi Minh City	14,135,538 VND	2,155	1,536	619	298	10	67.40%	
Sun Times 7 Energy Co., Ltd.	Ho Chi Minh City	9,229,812 VND	1,440	1,037	404	209	12	67.40%	
Sunseap Commercial & Industrial Assets (Vietnam) Co., Ltd.	Ho Chi Minh City	123,517,702 VND	329,359	331,033	-1,674	5	-6,658	74.98%	
Sunseap KTG Energy Investment Co., Ltd.	Ho Chi Minh City	5,484,000 VND	305	99	206	-	-6	44.24%	
Sunseap Sun Times Solar Investment Co., Ltd.	Ho Chi Minh City	102,912,367 VND	6,113	2,049	4,064	-	-5	67.40%	
Thiet Thanh Cong Investment Co., Ltd.	Long An Province	9,000,000 VND	757	504	253	92	-0	74.98%	
Trung Son Energy Development LLC	Khanh Hoa Province	197,000,000,000 VND	25,212	17,082	8,130	3,131	-519	74.98%	
Uper Renewable Energy Vietnam Co., Ltd.	Ho Chi Minh City	2,310,000,000 VND	237	113	123	940	28	74.98%	
Xuan Thien Ninh Thuan Co., Ltd.	Ninh Thuan Province	890,000,000 VND	120,776	72,140	48,636	20,536	6,912	74.98%	
Xuan Thien Thuan Bac Co., Ltd.	Ninh Thuan Province	550,000,000 VND	73,794	44,139	29,654	12,312	3,696	74.98%	
Other:									
EDPR Korea, Ltd.	Yeosu	100,000,000 KRW	500	1,306	-805	-	-871	74.98%	
Hoya Energy Ltd.	Taipei City	199,000,000 TWD	16,018	9,816	6,202	701	139	74.98%	
OMA Haedori Co., Ltd.	Gaheung-gun	497,624,000 KRW	1,761	2,672	-911	-	-829	56.23%	
Pacific Sunseap Energy Ltd.	Taipei City	347,000,000 TWD	10,671	21	10,650	-	-19	48.73%	
Re Capital Co., Ltd.	Tokyo	204,970,000 JPY	6,967	7,387	-420	599	-2,161	74.98%	
Shuangjian Photoelectric Ltd.	Taipei City	52,000,000 TWD	5,535	3,983	1,552	528	47	52.48%	
Sunseap Advance Green Technology Ltd.	Taipei City	100,000,000 TWD	12,282	9,134	3,147	442	44	74.98%	
Sunseap Advance International Ltd.	Taipei City	5,000,000 TWD	142	5	137	-	-1	74.98%	
Sunseap Energy (Malaysia) Sdn. Bhd.	Kuala Lumpur	2,735,000 MYR	1,058	1,491	-433	9	-581	74.98%	
Sunseap Solar Cambodia Co., Ltd.	Phnom Penh City	1,000 USD	3	25	-22	-	-5	74.98%	
Sunseap Taiwan Solar Holdings Ltd.	Taipei City	456,289,510 TWD	21,303	8,155	13,147	2,816	-96	74.98%	
Top Green Energy Ltd.	Taipei City	341,000,000 TWD	55,079	44,052	11,027	2,831	127	48.73%	

The main financial indicators of the joint ventures entities, as at 31 December 2022, are presented as follows:

Joint Ventures entities *	Head Office	Share capital / Currency	% Group	% Company
Electricity Generation:				
Bloastur, A.I.E.	Serín	60,101 EUR	50.00%	
Companhia Energética do JARI - CEJA	São Paulo	850,823,746 BRL	28.78%	
Empresa de Energia Cachoeira Caldeirão, S.A.	Amapá	728,600,000 BRL	28.78%	
Empresa de Energia São Manoel S.A.	Rio de Janeiro	2,409,974,102 BRL	19.18%	
Kosorkuntza, A.I.E.	Bilbau	- EUR	25.00%	
Pecém Operação e Manutenção de Unidades de Geração Elétrica S.A.	Ceará	7,053,368 BRL	28.78%	
Porto do Pecém Transportadora de Minérios S.A.	Ceará	6,604,018 BRL	28.78%	
Renewable Energy Activity:				
Cenergi Sunseap Energy Solutions Sdn. Bhd.	Kuala Lumpur	10,000,000 MYR	29.99%	
Centrale Eolienne D'Ocecy, S.A.S.	Paris	284,844 EUR	38.24%	
Desarrollos Energéticos Canarias, S.A.	Las Palmas	15,025 EUR	37.41%	
Desarrollos Energéticos del Val, S.L.	Soria	137,070 EUR	18.74%	
Evoikos Voreas A.E.	Athens	126,000 EUR	38.24%	
Evolución 2000, S.L.	Albacete	117,994 EUR	36.85%	
Flat Rock Windpower II LLC	Delaware	215,826,269 USD	37.49%	
Flat Rock Windpower LLC	Delaware	548,339,611 USD	37.49%	
Goldfinger Ventures II LLC	Delaware	174,033,304 USD	37.49%	
Goldfinger Ventures LLC	Delaware	131,968,976 USD	37.49%	
Kronos IBV UK	Berlin	25,000 EUR	37.49%	
KSD 20 UG	Munich	1,000 EUR	37.49%	
Lomartico Investments, Sp. z o.o.	Warsaw	5,000 PLN	37.49%	
Medstville Investments, Sp. z o.o.	Warsaw	5,000 PLN	37.49%	
Nine Kings Wind Farm LLC	Delaware	- USD	37.49%	
Ondentille Investments, Sp. z o.o.	Warsaw	5,000 PLN	37.49%	
OW Offshore, S.L.	Madrid	57,519,614 EUR	37.49%	
Powersource Sunseap Corp.	Makati City	- PHP	29.99%	
Powersource Sunseap Solar Solution Corp.	Makati City	- PHP	29.99%	
Riverstart Development LLC	Delaware	- USD	15.00%	
Riverstart Ventures LLC	Delaware	244,867,207 USD	15.00%	
RL Sunseap Energy Sdn. Bhd.	Sarawak	2,500,000 MYR	36.74%	
Sistemas Eólicos Tres Cruces, S.L.	Soria	50,000 EUR	18.74%	
Sofrano A.E.	Athens	830,000 EUR	38.24%	
Solar Ventures Acquisition LLC	Delaware	- USD	37.49%	
Sunseap Asset (Cambodia) Co., Ltd.	Phnom Penh City	2,760,000 USD	38.24%	
Sunseap Energy (Cambodia) Co., Ltd.	Phnom Penh City	365,000 USD	36.74%	
Sunseap LCS Energy Sdn. Bhd.	Kuala Lumpur	100,000 MYR	36.74%	
Sunseap Solutions Taiwan Ltd.	Taipei City	30,000,000 TWD	36.74%	
2018 Vento XIX LLC	Delaware	73,641,728 USD	15.00%	
2017 Vento XVIII LLC	Delaware	156,973,283 USD	15.00%	
2019 Vento XX LLC	Delaware	211,991,253 USD	15.00%	
Other Activities:				
ARQUILED - Proj. Iluminação, S.A.	Mora	231,000 EUR	49.91%	
Energia Ásia Consultoria, Limitada	Macao	200,000 MOP	50.00%	49.00%
MABE Construção e Administração de Projectos, Ltda.	Ceará	566,151,831 BRL	28.78%	

The companies where the Group has significant influence, as at 31 December 2022, are as follows:

Associated companies *	Head Office	Share capital / Currency	% Group	% Company
Electricity Generation:				
Carriço Cogeração - Sociedade de Geração de Electricidade e Calor, S.A.	Lisbon	50,000 EUR	35.00%	
HC Tudela Cogeneración, S.L.	Abañón - Carreño	306,030 EUR	50.10%	
Electricity Supply:				
Blue Sol Participações S.A.	São Paulo	24,483,565 BRL	23.02%	
Electricity Distribution:				
AMBERTREE - Tecnologia para Redes de Energia Elétrica, Lda	Lisbon	5,000 EUR	26.00%	
Renewable Energy Activity:				
Biomassas del Pirineo, S.A.	Huesca	454,896 EUR	22.49%	
Blue Canyon Windpower LLC	Texas	63,851,000 USD	18.74%	
Charge+ Pta. Ltd.	Singapore	5,216,668 SGD	19.68%	
Desarrollos Eólicos de Canarias, S.A.	Gran Canaria	1,817,130 EUR	33.55%	
Eólica de São Julião, Lda.	Laurinhã	500,000 EUR	33.74%	
Eos Pax Ila, S.L.	La Coruña	6,010 EUR	36.36%	
Geólica Magallón, S.L.	Zaragoza	2,040,000 EUR	27.17%	
Hytiantic, S.A.	Sines	50,000 EUR	21.37%	
Parque Eólico Belmonte, S.A.	Madrid	120,400 EUR	22.42%	
Parque Eólico Sierra del Madero, S.A.	Madrid	7,193,970 EUR	31.49%	
San Juan de Bargas Eólica, S.L.	Zaragoza	2,000,000 EUR	35.25%	
Solar Siglo XXI, S.A.	Ciudad Real	80,000 EUR	18.74%	
Solar Works B.V.	Rotterdam	6,726,000 USD	20.19%	20.19%
Todae Solar Pty. Ltd.	Rosebery, NSW	- AUD	36.74%	
Unión de Generadores de Energía, S.L.	Zaragoza	23,044 EUR	37.49%	
Other Activities:				
Centrais Elétricas de Santa Catarina, S.A. - Celesc	Santa Catarina	2,480,000,000 BRL	17.21%	
Endeco Technologies Limited	Dublin	15,756,606 EUR	16.90%	
Principle Power, Inc	Seattle	33,149 USD	23.37%	
SCNET - Sino-Portuguese Centre	Shanghai	21,600,000 CNY	40.00%	
Vertequip, Equipamentos e Trabalhos Verticais, Lda	Chamusca	347,139 EUR	23.66%	
WPVT, S.A.	Oporto	75,000 EUR	20.00%	
Zypho, S.A.	Oporto	221,794 EUR	33.50%	

Our action



Part III

Corporate Governance Report



Sabygal – Solar and Wind Hybrid – Portugal

Corporate Governance Report

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A. Ownership structure	385	1. Corporate governance code in effect	453	504
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PART I

Information on Ownership Structure, Organisation and Corporate Governance

A. Ownership Structure

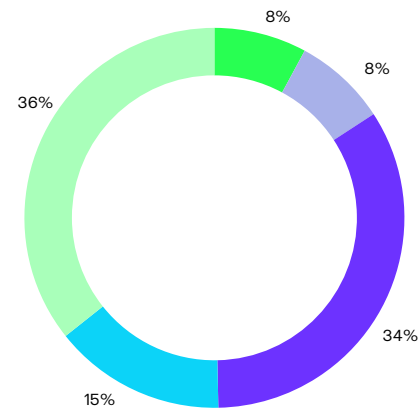
I. Capital Structure

1. Capital Structure

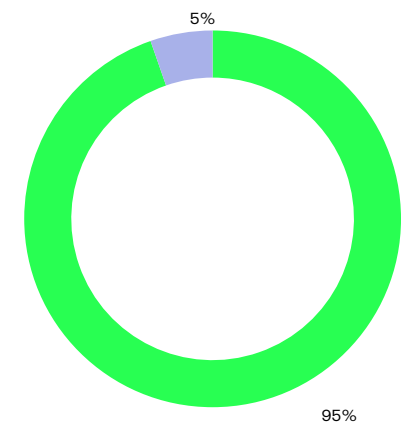
The share capital of EDP – Energias de Portugal, S.A. (Company or EDP) is of EUR 3,965,681,012 and is fully paid up, according to Article 4 of EDP's Articles of Association, being represented by 3,965,681,012 ordinary shares, which have a face value of 1 euro each.

The geographical and investor type breakdown of the EDP shareholder structure on 31 December 2022 was as follows:

Breakdown of shareholder structure by geography (%)



Breakdown of shareholder structure by investors type (%)



■ PORTUGAL ■ SPAIN ■ REST OF EU + UK ■ USA ■ REST OF THE WORLD

■ INSTITUTIONAL ■ PRIVATE PERSONS

Source: Interbolsa

2. Restrictions on Share Transferability

In the terms of the Articles of Association, the shares are not subject to any limitations in terms of transferability, given that, according to the Portuguese Securities Code, shares traded in the market are fully transferable.

3. Treasury stock

As of 31 December 2022, EDP owned 18,616,167 treasury stock shares, corresponding to 0.47% of the share capital.

At the General Shareholders' Meeting held on 6 April 2022, shareholders resolved on the granting of authorization to the Executive Board of Directors for the acquisition and sale of own shares by EDP and subsidiaries of EDP for an eighteen-month period as from the proposal approved in the General Meeting.

4. Change of company control

EDP has not entered into any significant agreements that come into force, are amended or terminate in the event of a change in control of the Company following a takeover bid, except for normal market practice in terms of debt issuance. In fact, EDP is usually a party in financing agreements and issuer of bonds that include change of control clauses, which are typical set forth in such agreements and securities and are necessary for the completion of transactions, not considering that its existence is likely to harm the economic interest in the transfer of EDP shares, nor the free assessment by shareholders of the directors' performance.

5. Defensive measures

EDP has not taken any measures to prevent takeover bids that would put the interests of the Company and its shareholders at risk. The supplementary rules on this matter remain thus in force.

In this regard, it is important to note that, pursuant to Article 14 (3) of EDP's current Articles of Association, votes cast by a shareholder on his own behalf or representing another will not be considered if they exceed 25% of all the votes corresponding to the share capital.

Although EDP's Articles of Association impose this limitation on the exercise of voting rights, this limitation is not a measure to prevent successful takeover bids.

In fact, the inability of the limitation on voting rights to prevent the success of a takeover bid is the result of EDP's current capital structure and of the compliance of the deliberative quorum of two-thirds of the votes cast, which is set out in EDP's Articles of Association for an amendment to the company agreement on this matter with Article 182 - A (2) of the Portuguese Securities Code.

No defensive measures have been taken aimed at or resulting in serious erosion of EDP's assets in the event of transfer of control of the company or a change in the composition of the Executive Board of Directors, thereby prejudicing the free transferability of the shares and free

appraisal by the shareholders of the performance of the members of the Executive Board of Directors.

6. Shareholder agreements

According to the Article 7 of EDP's Articles of Association, shareholder agreements regarding the Company must be communicated in full to the Executive Board of Directors and the General and Supervisory Board by the shareholders that have signed them in the 30 (thirty) days following their conclusion.

According to information provided to the Company by the shareholders, the Executive Board of Directors is aware of the existence of a single shareholder agreement, which was entered into on 11 April 2007 by Parpública, Caixa Geral de Depósitos, S.A. ("CGD") and Société Nationale pour la Recherche, la Production, Le Transport, La Transformation et la Commercialisation des Hydrocarbures ("Sonatrach").

Although Parpública has sold its shareholdings in EDP's share capital and CGD and Sonatrach do not own a qualifying shareholding in EDP's share capital, according to information at EDP's disposal this does not represent automatic cessation of the effects of the shareholder agreement. EDP has not been informed of any agreement to revoke or amend the said shareholder agreement.

In 2021, EDP and Sonatrach agreed to terminate the partnership entered into in 2007, under which EDP assumed full control of the combined cycle natural gas plant, Soto 4, in Spain, with an installed capacity of 426MW, through the acquisition of 25% stake held by Sonatrach, and terminates the commercial relations with Sonatrach that were associated with this partnership.

II. Shareholdings and Bonds Owned

7. Qualifying holdings

Pursuant to Article 8 (1) (b) of CMVM Regulation 5/2008, we are providing the following information on qualifying holdings owned by EDP shareholders as at 31 December 2022 and attributable voting rights in accordance with Article 20 (1) of the Portuguese Securities Code.

SHAREHOLDER	NO. OF SHARES	% CAPITAL WITH VOTING RIGHTS
CHINA THREE GORGES CORPORATION		
Yangtze Three Gorges Investment Management Co. Ltd.		
China Three Gorges International Corporation		
China Three Gorges International Limited		
China Three Gorges (Europe), S.A.	835,980,316	21.08%
Total	835,980,316	21.08%

China Three Gorges (Europe), S.A. is fully owned by China Three Gorges International Limited, which is 77.7% owned by China Three Gorges International Corporation. China Three Gorges Corporation holds 70% of the share capital of China Three Gorges International Corporation and fully owns Yangtze Three Gorges Investment Management Co. Ltd. Yangtze Three Gorges Investment Management Co. Ltd holds 30% equity of China Three Gorges International Corporation.

OPPIDUM CAPITAL, S.L.		
Oppidum Capital, S.L.	285,414,883	7.20%
Total	285,414,883	7.20%

According to paragraph 1(b) of article 20 of the Portuguese Securities Code, the voting rights inherent to the share capital held by Oppidum Capital, SL and Flicka Forestal, SL are imputable to Fernando Masaveu Herrero. Oppidum Capital, SL is 55.9% owned by Masaveu Internacional, S.L. and 44.1% owned by Unicaja Banco S.A. In turn, Masaveu Internacional, SL is 100% held by Corporación Masaveu, SA. Corporación Masaveu, SA is 41.38% held by Fundación María Cristina Masaveu Peterson, 10.73% by Flicka Forestal, SL and 0.03% by Fernando Masaveu Herrero. Fernando Masaveu Herrero controls Fundación María Cristina Masaveu Peterson, Flicka Forestal, SL and Peña María, S.L. Additionally, Fernando Masaveu Herrero's spouse holds 18,467 shares of EDP's share capital. Also, three dependents of Fernando Masaveu Herrero - Pedro Masaveu Compostizo, Jaime Masaveu Compostizo and Elias Masaveu Compostizo - hold each 542 shares of EDP's share capital. In this sense, in total, 7.20% of the voting rights of EDP, corresponding to 285.709.976 shares of EDP's share capital, are imputable to Fernando Masaveu Herrero.

BLACKROCK, INC.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock (Singapore) Holdco Pte. Ltd.		

SHAREHOLDER	NO. OF SHARES	% CAPITAL WITH VOTING RIGHTS
BlackRock HK Holdco Limited		
BlackRock Lux Finco S.a.r.l.		
BlackRock Japan Holdings GK		
BlackRock Japan Co., Ltd.		
BlackRock, Inc.		
Trident Merger, LLC		
BlackRock Investment Management, LLC		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock Holdco 3, LLC		
BlackRock Cayman 1LP		
BlackRock Cayman West Bay Finco Limited		
BlackRock Cayman West Bay IV Limited		
BlackRock Group Limited		
BlackRock Finance Europe Limited		
BlackRock Investment Management (UK) Limited		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		

SHAREHOLDER	NO. OF SHARES	% CAPITAL WITH VOTING RIGHTS
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock Australia Holdco Pty. Ltd.		
BlackRock Investment Management (Australia) Limited		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock Holdco 3, LLC		
BlackRock Cayman 1LP		
BlackRock Cayman West Bay Finco Limited		
BlackRock Cayman West Bay IV Limited		
BlackRock Group Limited		
BlackRock International Limited		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock Holdco 4, LLC		
BlackRock Holdco 6, LLC		
BlackRock Delaware Holdings Inc.		

SHAREHOLDER	NO. OF SHARES	% CAPITAL WITH VOTING RIGHTS
BlackRock Institutional Trust Company, National Association		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock Holdco 4, LLC		
BlackRock Holdco 6, LLC		
BlackRock Delaware Holdings Inc.		
BlackRock Fund Advisors		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock (Singapore) Holdco Pte. Ltd.		
BlackRock HK Holdco Limited		
BlackRock Asset Management North Asia Limited		
BlackRock, Inc.		

SHAREHOLDER	NO. OF SHARES	% CAPITAL WITH VOTING RIGHTS
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock Holdco 3, LLC		
BlackRock Cayman 1LP		
BlackRock Cayman West Bay Finco Limited		
BlackRock Cayman West Bay IV Limited		
BlackRock Group Limited		
BlackRock Finance Europe Limited		
BlackRock (Netherlands) B.V.		
BlackRock Asset Management Deutschland AG		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock Holdco 3, LLC		
BlackRock Canada Holdings LP		
BlackRock Canada Holdings ULC		
BlackRock Asset Management Canada Limited		
BlackRock, Inc.		

SHAREHOLDER	NO. OF SHARES	% CAPITAL WITH VOTING RIGHTS
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock Capital Holdings, Inc.		
BlackRock Advisors, LLC		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock Holdco 3, LLC		
BlackRock Cayman 1LP		
BlackRock Cayman West Bay Finco Limited		
BlackRock Cayman West Bay IV Limited		
BlackRock Group Limited		
BlackRock Finance Europe Limited		
BlackRock Advisors (UK) Limited		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock (Singapore) Holdco Pte. Ltd.		

SHAREHOLDER	NO. OF SHARES	% CAPITAL WITH VOTING RIGHTS
BlackRock (Singapore) Limited		
BlackRock, Inc.		
BlackRock Holdco2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock Holdco 3, LLC		
BlackRock Cayman 1LP		
BlackRock Cayman West bay Finco limited		
BlackRock Cayman West bay IV limited		
BlackRock Group Limited		
BlackRock Luxembourg Holdco S.à r.l.		
BlackRock Investment Management Ireland Holdings Limited		
BlackRock Asset Management Ireland Limited		
BlackRock, Inc.		
Trident Merger, LLC		
BlackRock Investment Management, LLC		
Amethyst Intermediate, LLC		
Aperio Holdings, LLC		
Aperio Group, LLC		
Total	285,319,442	7.19%

SHAREHOLDER	NO. OF SHARES	% CAPITAL WITH VOTING RIGHTS
CANADA PENSION PLAN INVESTMENT BOARD		
CPPIB	234,718,462	5.92%
Total	234,718,462	5.92%
EDP (TREASURY STOCK)	18,616,167	0.47%
REMAINING SHAREHOLDERS	2,305,631,742	58.14%
Total	3,965,681,012	100.00%

8. Financial instruments owned by members of the management and supervisory bodies

Financial instruments owned by members of the Executive Board of Directors

As of 31 December 2022, the financial instruments held or attributable to the members of the Executive Board of Directors in office under the terms set forth in article 447 (5) of the Portuguese Companies Code are as follows:

EXECUTIVE BOARD OF DIRECTORS ⁽¹⁾	EDP – ENERGIAS DE PORTUGAL, S.A.		EDP RENOVÁVEIS, S.A.		EDP – ENERGIAS DO BRASIL, S.A.	
	NO. SHARES 31-12-2022	NO. SHARES 31-12-2021	NO. SHARES 31-12-2022	NO. SHARES 31-12-2021	NO. SHARES 31-12-2022	NO. SHARES 31-12-2021
MIGUEL STILWELL DE ANDRADE ⁽²⁾	205,000	180,000	-	-	-	-
Miguel Nuno Simões Nunes Ferreira Setas	8,104	8,104	-	-	6,000	6,000
Rui Manuel Rodrigues Lopes Teixeira ⁽³⁾	42,043	39,433	100	100	-	-
Vera de Morais Pinto Pereira Carneiro ⁽⁴⁾	20,000	7,000	-	-	-	-
Ana Paula Garrido de Pina Marques	-	-	-	-	-	-

(1) The Executive Board of Directors did not hold any bonds from EDP – Energias de Portugal, S.A.

(2) As disclosed to the market on February 22nd 2022, Miguel Stilwell d'Andrade acquired 25,000 shares of EDP.

(3) As disclosed to the market on February 24th 2022, Rui Teixeira informed EDP that he acquired 2,610 shares of EDP.

(4) As disclosed to the market on February 24th 2022, Vera Pinto Pereira informed EDP that she acquired 13,000 shares of EDP.

Financial instruments owned by members of the General and Supervisory Board

As of 31 December 2022, financial instruments held or attributable to the members of the General and Supervisory Board in office, under the terms set forth in article 447 (5) of the Portuguese Companies Code, are as follows:

GENERAL AND SUPERVISORY BOARD ⁽¹⁾	EDP – ENERGIAS DE PORTUGAL, S.A.	
	NO. SHARES 31-12-2022	NO. SHARES 31-12-2021
JOÃO LUÍS RAMALHO DE CARVALHO TALONE	-	-
China Three Gorges Corporation	835,980,316	760,872,884
Dingming Zhang (as representative of China Three Gorges Corporation)	-	-
China Three Gorges International Limited	835,980,316	760,872,884
Shengliang Wu (as representative of China Three Gorges International Limited)	-	-
China Three Gorges (Europe), S.A.	835,980,316	760,872,884
Ignacio Herrero Ruiz (as representative of China Three Gorges (Europe), S.A.)	-	-
China Three Gorges Brasil Energia, S.A.	-	-
Hui Zhang (as representative of China Three Gorges Brasil Energia, S.A.)	-	-
China Three Gorges (Portugal), Sociedade Unipessoal, Lda.	-	-
Miguel Espregueira Mendes Pereira Leite (as representative of China Three Gorges (Portugal) Sociedade Unipessoal, Lda.)	-	-
DRAURSA, S.A.	-	-
Felipe Fernández Fernández (as representative of Draursa, S.A.)	1,350	1,350
Fernando Maria Masaveu Herrero	285,709,976	285,434,976
João Carvalho das Neves	8,060	8,060
María del Carmen Fernández Rozado	-	-
Laurie Lee Fitch ⁽²⁾	40,000	-
Esmeralda da Silva Santos Dourado	-	-
Helena Sofia Silva Borges Salgado Fonseca Cerveira Pinto	-	-
Sandrine Dixson-Declève	-	-
Zili Shao	-	-
Luís Maria Viana Palha da Silva	5,479	5,479

(1) The members of the General and Supervisory Board do not hold any shares in EDP – Energias do Brasil, S.A. and EDP Renováveis S.A., nor do they hold any bonds in EDP – Energias de Portugal, S.A.

(2) As disclosed to the market on August 4, 2022, Laurie Fitch, member of the General and Supervisory Board, informed EDP that she acquired 40,000 shares of EDP.

9. Special powers of the managing body with regard to decisions to increase share capital

The Executive Board of Directors has the powers enshrined in the law and Articles of Association to perform its duties, which are indicated in detail in item 21.

In what concerns the approval of decisions on share capital increases, and according to Article 4 (3) of the Articles of Association, the Executive Board of Directors has the power to approve one or more share capital increases up to an aggregate limit of 10% of the current share capital via the issuance of shares to be subscribed by new entries in cash, in accordance with the issuance terms and conditions that it defines. The draft decision must be submitted to the General and Supervisory Board subject to a two-thirds voting majority of the respective members.

The General Shareholders' Meeting held on 14 April 2021 resolved to approve the renewal, for a period of five years, of the authorization granted to the Executive Board of Directors to increase the share capital of EDP, one or more times, up to a limit of 10% of share capital.

Additionally, the General Shareholders' Meeting held on 14 April 2021 also resolved to amend the Company's Articles of Association under which authorization is granted to the Executive Board of Directors to increase the share capital, one or more occasions, until 14 April 2026, up to the maximum amount of 10% of the current share capital, through the issuance of shares, to be made by contributions in cash and subscribed by qualified investors following accelerated book-building offers, in accordance with the terms and conditions of the issuance to be defined by the Executive Board of Directors, provided that the issuance price is not lower than (i) 95% of the weighted average price of the shares in Euronext Lisbon on the date on which the

issuance price is set, or (ii) 95% of the weighted average price of the shares in Euronext Lisbon in the maximum period of 10 (ten) days ending on the date in which the issuance price is set, and provided that the proposed resolution is approved in advance by the General and Supervisory Board by a qualified majority of two thirds of votes cast.

The authorizations granted to the Executive Board of Directors described in the two previous paragraphs are not cumulative, in the sense that any measures taken under one of these authorizations are written off to the maximum limit of the other. During 2022, the Executive Board of Directors did not use any of these authorizations.

10. Significant business relationships between owners of qualifying holdings and the Company

In pursuit of its activity and regardless of its relevance, EDP conducts business with and enters into transactions under normal market conditions for similar operations with several entities, beyond which are included qualified shareholders of EDP or companies related to those.

Thus, with reference to the 2022 exercise, it should be pointed out the performance of the following operations between companies of EDP Group and owners of qualifying holdings in EDP's share capital:

- EDP Group, through EDP Clientes, S.A. provided electricity and gas supply services as well as the installation of solar panels to the company Cementos Tutela Veguín in the amount of approximately 90.8 million Euros (Cementos Tutela Veguín is a subsidiary of the Group Masaveu, which, in turn, holds 55.9% of the company Oppidum Capital, SL);

- As disclosed to the market on 29 July 2022 and on 23 December 2022, EDP agreed to sell to China International Water & Electric Corporation, company that integrates China Three Gorges group, its 50% stake in Hydro Global Investment Limited, with registered office in Hong Kong, for US\$ 68 million;
- Additionally, and as disclosed to the market on 15 November 2021 and on 27 June 2022, EDP, through its subsidiary EDP Renováveis, S.A., sold to China Three Gorges a 100% stake in an operational wind portfolio with 181 MW located in Spain, for an Enterprise Value of 328 million Euros.

As for the surrounding governance guidelines, on July 29, 2010, the General and Supervisory Board approved the first version of the "Regulation on Conflicts of Interest and Transactions with Related Parties", which was subject to review during 2015. On 17 May 2010, the Executive Board of Directors approved the rules on identification, in-house reporting and procedure in the event of conflicts of interest applicable to all EDP Group employees who play a decisive role in transactions with related parties.

Considering the amendments introduced by Law no. 50/2020, of 25 August, as well as the constant adoption of best practices by the Company, the internal regulations were reviewed that regulate conflicts of interest and business between related parties was promoted, having, in January 2023, the new version of the Policy on Transactions with Related Parties came into force, and is available for consultation at EDP's website [Transactions with Related Parties Policy | edp.com](https://www.edp.com/pt/pt/Transacoes-com-Partes-Relacionadas).

The General and Supervisory Board noted that regarding 2022, in view of the cases analysed and the information provided by the Executive Board of Directors, that no

evidence was found that the potential conflicts of interest underlying the transactions made by EDP may have been settled contrary to the interests of the Company.

The Financial Matters Committee / Audit Committee is responsible for supervising enforcement of the aforementioned policy and reports on its work to the General and Supervisory Board.

B. Corporate Bodies and Committees

I. General Meeting

A) Composition of The General Meeting

11. Name and position of officers of the General Meeting and their term of office

Pursuant to Article 12 of EDP's Articles of Association, the members of the Board of the General Meeting are composed by a Chairman, a Vice-Chairman, and the Company Secretary, who is appointed by the Executive Board of Directors.

During 2022, the composition of the Board of the General Meeting in office was as follows:

BOARD OF THE GENERAL MEETING	
CHAIRMAN	LUÍS MARIA VIANA PALHA DA SILVA
Vice Chairman	Ana Mafalda Castanheira Neves de Miranda Barbosa (*)
Company Secretary	Ana Rita Pontífice Ferreira de Almeida Côte-Real

(*) The Vice-Chairman of the Board of the General Shareholders' Meeting was elected at the at the General Shareholders' Meeting held on 6 April 2022 for the 2021-2023 three-year mandate, after the resignation presented by Clara Patrícia Costa Raposo, on 27 April 2021..

The Chairman of the General Meeting is automatically a member of the General and Supervisory Board, pursuant to Article 21 (2) of EDP's Articles of Association.

The Chairman of the General Meeting has the in-house human and logistic resources appropriate to his/her needs, including the support of the Legal & Governance, the Investor Relations, the Communication and the Brand - Corporate Global Units, plus external support from a specialised entity hired by EDP to collect, process, and count the votes. The logistic and

administrative resources for the General Meeting are provided by the Company and the organisation is supervised by the Chairman of the Board of the General Meeting.

B) Exercise of Voting Rights

12. Restrictions on Voting Rights

Pursuant to Article 14 (2) of EDP's Articles of Association, each share corresponds to one vote.

According to Article 14 (9) of EDP's Articles of Association, the holders of rights representing shares under ADR (American Depositary Receipt) programs may instruct the respective depository bank in order to see their voting rights exercised or, alternatively, grant proxy to a representative designated by EDP for such purpose, in compliance with applicable legal or statutory provisions; the depository contract should regulate terms and ways for exercising the voting rights, as well as for cases in which such instructions do not exist.

According to Article 14 (10) of the Articles of Association, EDP's shareholders can only participate and vote at the General Meeting, personally or through a representative, if on the date of registration, 00:00 hours (GMT) of the fifth day of trading prior to that of the General Meeting, it owns shares corresponding to, under the Law and the Articles of Association, at least one vote.

Proof of ownership of the shares is provided by sending the Chairman of the General Meeting, by the fifth day of trading prior to that of the General Meeting, a statement issued, certified, and sent by the financial intermediary responsible for registering the shares, indicating the number of shares registered and the date of registration. It may be sent by email (Article 14 (13) of EDP's Articles of Association).

Participation in the General Meeting also requires the shareholder to express this intention to the financial intermediary at which the individual registration account has been opened, by the previous day of the fifth day of trading prior to that of the General Meeting. The communication may be sent by electronic means (Article 14 (11) of EDP's Articles of Association and Article 23.º-C (3) of the Portuguese Securities Code).

Shareholders who have expressed their intention to participate in a General Meeting pursuant to the law and the Articles of Association and have transferred ownership of the shares between the fifth day of trading prior to that of the General Meeting and the end thereof, must

inform the Chairman of the General Meeting and the CMVM immediately (Article 14 (11) of EDP's Articles of Association).

EDP shareholders may exercise their right to vote by correspondence, postal or electronic, on each of the items on the agenda by means of a communication addressed to the Chairman of the Board of the General Meeting, as provided for in number 6 and number 11 of article 14 of the Articles of Association.

Pursuant to Article 14 (7) of EDP's Articles of Association, voting rights may also be exercised electronically, in accordance with the requirements necessary to ensure their authenticity, which must be defined by the Chairman of the General Meeting in the invitation to the meeting.

Shareholders can find the necessary forms for postal or electronic votes at [EDP's website](#).

EDP has taken several measures to encourage shareholders to exercise their voting rights, such as elimination of financial obstacles that may affect their exercise. These measures include:

- general circulation of the notice of meeting of the General Meeting with an express indication of the channels available for the exercise of voting rights and in publications at [CMVM website](#) and [EDP's website](#), in the Justice Ministry and in the Interbolsa Platform (My Interbolsa) and in the NYSE Euronext Lisbon newsletter;
- payment of the costs of issuing declarations of ownership of shares for all shareholders who participate in the General Meeting.

As per EDP's Articles of Association, votes cast by a shareholder in his own name or as a representative of another exceeding 25% (twenty-five percent) of all the votes representing the share capital are not considered. This

limitation applies to all decisions of the General Meeting, including those for which the law or EDP's Articles of Association provide for a qualified majority of the Company's share capital.

Pursuant to Article 14 (4) of EDP's Articles of Association, votes for which, under Article 20 (1) of the Securities Code or any legal rule that amends or replaces it, he is responsible will be considered cast by the same shareholder.

Pursuant to Article 15 (2) and (3) of the Articles of Association, EDP's shareholders are obliged to provide the Executive Board of Directors, in writing and in a complete, objective, clear, truthful form, and in a manner acceptable to the board, all information that it requests from them on facts concerning them and related to Article 20 (1) of the Securities Code. Noncompliance with this obligation shall result in prevention of the exercise of voting rights pertaining to the shares owned by the shareholder in question.

If the limitation on the counting of votes affects a number of shareholders, it will operate in proportion to the ordinary shares owned by each one (Article 14 (5) of the Articles of Association).

Furthermore, pursuant to Article 20 (1) of the Portuguese Securities Code, or any legal rule that amends or replaces it, shareholders who become owners of a shareholding of 5% (five percent) or more of the voting rights or share capital, must inform the Executive Board of Directors thereof within five business days of the date on which ownership occurred. They cannot exercise their voting rights until they have made this communication (Article 15 (1) of EDP's Articles of Association).

13. Maximum percentage of voting rights that can be exercised by a single shareholder or shareholders that are related in some of the relations of Article 20 (1)

See item 12.

14. Decisions of shareholders who, under the Articles of Association, can only be made by a qualified majority other than those provided for by law

Decisions by the General Meeting are taken by a majority of votes cast, unless the law or the Articles of Association require a qualified majority (Article 11 (3) of the Articles of Association).

Article 10 (1) of the Articles of Association defines the performance of functions in any corporate body is incompatible with:

- the status of a legal person that is a competitor of EDP or a company in a control or group relation with EDP;
- the status of a legal person or an individual related to a legal person that is a competitor of EDP;
- the exercise of functions, of any nature or for any reason whatsoever, notably by appointment to a corporate office, by employment contract or by services provision agreement, at a legal person that is a competitor of EDP or at a legal person related to a legal person that is a competitor of EDP;
- the appointment, even if only in fact, for a corporate body member by a competing legal person or a person, natural or legal, related to a legal person competing with EDP.

Nevertheless, Article 10 (4) defines that the incompatibilities set forth in the foregoing paragraphs may also not apply to the performance of functions as a member of the general and supervisory board, to the extent permitted by law, subject to

authorization given by prior resolution, with the favour of two thirds of the votes cast at the elective general shareholders' meeting. The competition relation must be expressly referred to and precisely identified in the appointment proposal, and the authorization resolution may be subject to conditions, notably to a holding of no more than 10% of EDP's share capital.

It should also be highlighted that, according to Article 10 (10) of EDP's Articles of Association, it should not be deemed to be a competitor of EDP the legal person shareholder that individually holds at least 20% of the share capital of EDP, and that, directly or through a legal person which is in a domain relationship with it, enters into and maintains a medium or long term strategic partnership of business cooperation in the activities of generation, distribution or supply of electricity or natural gas, approved in accordance with legal and statutory provisions, with prior favourable opinion of the General and Supervisory Board.

In all other cases, the deliberative quorum set out in Article 383 (2) of the Portuguese Companies Code applies.

II. Management and Supervision

A) Composition

15. Corporate governance model

EDP's governance structure is a dual model one and consists of the General Meeting, Executive Board of Directors, General and Supervisory Board and the Statutory Auditor.

The separation of management and supervision roles is embodied in an Executive Board of Directors, which is responsible for the management of the Company's business,

and a General and Supervisory Board, the highest supervisory body.

The division of competences, inherent to such model, between the Executive Board of Directors and the General and Supervisory Board, has been assuring an effective management of the Company, benefitted by a constant and attentive supervision. The dual model of corporate governance in place at EDP since July 2006 has allowed for an effective separation of the Company's supervision and management in pursuit of the goals and interests of EDP and its shareholders, employees, and other stakeholders, thereby contributing to achieving the degree of trust and transparency necessary for its adequate functioning and optimization.

It is also important to note that this governance model has proven to be adequate to the size and shareholder structure of the Company, allowing for constant supervision both by the reference shareholders and by the independent members, through the respective intervention in the General and Supervisory Board. Considering the transversal competences of the General and Supervisory Board and the specificities of the activities of the four Specialized Committees, the integration of members of the General and Supervisory Board and of the Executive Board of Directors of EDP should, according to the Selection Procedure of the members of the General and Supervisory Board and of the Executive Board of Directors, ensure diverse skills, professional experiences, diversity of knowledge, gender and cultures, taking into account the specificities of the Company's business. Along with the concern for the individual adequacy of each member, it is also sought that the composition of the governing bodies and corporate bodies demonstrate a collective adequacy, bringing together the professional and personal skills necessary for the proper performance of the functions of each body of EDP. Likewise, in determining the respective number of members,

the size of the Company, the complexity of its activity and its geographical dispersion are considered, in addition to the costs and the desirable speed of operation of the administration.

According to Article 11 (2) (b) of the Articles of Association, it is the responsibility of the General Meeting of EDP to elect and dismiss the members of the Executive Board of Directors and the General and Supervisory Board, as well as their Chairmen and Vice-Chairmen, if any, and the Statutory Auditors, based on a proposal by the General and Supervisory Board (or by delegation to the Financial Matters Committee / Audit Committee). The General Meeting also appoints the members of the Environment and Sustainability Board, on proposal of the Executive Board of Directors, and Remuneration Committee of the General Meeting.

For a better understanding of EDP's corporate governance, [EDP's website](#) allows shareholders and the general public to view the up-to-date Articles of Association in Portuguese and English, the Internal Regulation of the Executive Board of Directors, General and Supervisory Board and its committees, documents that have been modified in order to accommodate best practices, notably the principles and recommendations set forth by the Corporate Governance Code issued by the Portuguese Institute for Corporate Governance.

Worth noting also that EDP has since 2010 a Corporate Governance Manual, whose primary objective consists of registering and sharing the provisions of the Executive Board of Directors and of General and Supervisory Board regarding best practices recommendations applicable to EDP on corporate governance. The Manual has a dynamic nature. It should therefore continue to be revised periodically, considering the contributions of all interested parties in the continuous development of EDP's governance model.

The Manual for the Corporate Governance of EDP is available to shareholders and general public at its website: [Corporate Governance Manual | edp.com](#).

In what concerns prevention and fighting against harassment at work, and complementing the commitments already taken on by EDP in its [Code of Ethics, available at EDP's website](#), the Good Conduct Code for the Prevention and Fight Against Harassment at Work entered into force as of 21 November 2017 and it is applicable to all EDP Group's employees. According to this Code, other service providers and suppliers are explicitly required to uphold or adhere to the principles established, in accordance with their obligations under qualification procedures or current contracts. In this regard, during 2022, a new channel for reporting complaints was created, available at [EDP's website - Speak Up EDP Channel](#)- and on the other websites of the applicable EDP Group companies.

Additionally, the Integrity Policy approved by the Executive Board of Directors has implemented the mandatory execution to all EDP Group companies as well as to its employees, service providers acting on its behalf, in strict compliance with the legal framework applicable in geographies where the Group is present which aim to avoid unlawful conducts, in particular those associated with the practice of corruption acts, money laundering and terrorism financing. EDP Group is committed to promote an exempt, honest, integrated, professional, and fair action and requires that its employees and contracted third parties behave in accordance with such commitment, complying with the legislation and regulation in force. The EDP Group Companies has implemented and has disseminated prevention, detection, and control measures towards any form of corruption, prevarication, conduct on conflict of interest, influence peddling, money laundering, terrorism financing and other illegal acts. In this regard, the EDP Group Companies may adopt more demanding additional

measures, according to local needs, always ensuring the compliance with the local applicable legislation. Additionally, the Compliance & *Internal Control* which independence is guaranteed through the reporting to the Executive Board of Directors and to the General and Supervisory Board / Financial Matters Committee / Audit Committee of EDP is responsible to biennially review this Policy or whenever any relevant legislative change occurs, submitting those amendments to the Executive Board of Directors for approval. The Integrity Policy of EDP Group was revised in 2022 and is available at EDP's website: [EDP Integrity Policy | edp.com](#).

EDP intends to continue to assume a precursor and excellence role about the promotion of best government practices, in the hope that this initiative may also contribute to enrich the debate on these matters in the general context of the organization and functioning of public limited companies, particularly in Portugal.

The EDP Group has been publicly distinguished with several recognitions regarding the behaviours observed in terms of promoting integrity, ethics, and sustainability.

Among these recognitions, the following stand out:

- The results of the ETHISPHERE ranking, which, since 2012, has considered EDP as one of the "World Most Ethical Companies";
- The Top Employer certification awarded by the Top Employers Institute, in which EDP was assessed on twenty different topics, with particular reference to Business Strategy and Ethics and Integrity, having obtained the maximum score;
- A prominent position in the "Codes of Conduct / Compliance / Corruption and Bribery" criterion of the Dow Jones Sustainability Indexes (DJSI), which have presented EDP as one of the most sustainable

companies in the world since 2008, integrating the respective indexes (DJSI World and DJSI Europe);

- The presence of EDP in the Investment Register of the Ethibel Forum as Pioneer and Excellence, which presents a group of companies that have an above average performance in the respective sector of activity, with the assessment being carried out based on sustainability criteria;
- EDP's presence in the Solactive Global and Europe Corporate Social Responsibility Index based on information provided by Forum Ethibel;
- Obtained ISO 37001 (Anti-bribery Management Systems) certification by EDP Energias do Brasil;
- Obtained ISO 37001 (Anti-bribery management system) and certification UNE 19601 (Criminal Compliance Management System) by EDP Renováveis;
- Obtained ISO 37001 certification (Anti-bribery management system) and UNE 19601 certification (Criminal Compliance Management System) by EDP España;
- Obtained ISO 37001 certification (Anti-bribery management system) and ISO 37301 certification (Compliance Management System) by EDP.

16. Articles of Association rules on procedural and material requirements for the appointment and replacement of members of the Executive Board of Directors and General and Supervisory Board

It is the role of the General Meeting to elect and remove members of the Executive Board of Directors and the General and Supervisory Board, including their chairmen.

In the event of permanent or temporary absence of any of the members of the Executive Board of Directors, the General and Supervisory Board arranges for his/her replacement and

the appointment must be ratified by the next General Meeting, under Article 22 (1) (g) of the Company's Articles of Association.

In the event of permanent absence of any of the members of the General and Supervisory Board, the substitutes on the list submitted to the General Meeting must be summoned by the Chairman of this Board to replace him/her, following the order on the list. Pursuant to Article 21 (5) of EDP's Articles of Association, the substitutes on the list must all be independent. If there are no substitutes, they will be elected by the General Shareholders' Meeting.

17. Composition of the Board of Directors, Executive Board of Directors and General and Supervisory Board

The shareholders elected, at the Extraordinary General Shareholders' Meeting held on 19 January 2021, the members of the Executive Board of Directors for the three-year mandate 2021-2023.

At the Annual General Shareholders' Meeting held on 14 April 2021, shareholders elected the members of General and Supervisory Board for the three-year mandate 2021-2023, as well as the Chairman of the Board of the General Meeting which is, automatically, an independent member of the General and Supervisory Board. The term of office of the members of this Board ends on 31 December 2023, without prejudice to their maintenance in office until a new appointment.

General and Supervisory Board

In the exercise of its duties – see Article 441 of the Companies Code and Article 22 of EDP's Articles of Association – the main mission of the General and Supervisory Board is to

constantly advise, monitor and supervise the management activities of EDP, cooperating with the Executive Board of Directors and the various other corporate bodies in pursuit of the Company's interests, pursuant to the Companies Code and the company's Articles of Association. It is elected by the shareholders at the General Meeting.

Pursuant to Article 21 (1) of the Articles of Association and Article 3 (1) of Internal Regulation of the General and Supervisory Board, the General and Supervisory Board consists of no fewer than nine effective members, but always more than the number of members of the Executive Board of Directors. Most of the elected members of the General and Supervisory Board must be independent, pursuant to Article 21 (4) of the Articles of Association.

As of 31 December 2022, the General and Supervisory Board is composed by the following members:

GENERAL AND SUPERVISORY BOARD		INDEPENDENT MEMBERS	FIRST APPOINTMENT DATE
CHAIRMAN	JOÃO LUÍS RAMALHO DE CARVALHO TALONE	INDEPENDENT	14/04/2021
	China Three Gorges Corporation represented by Dingming Zhang		20/02/2012
	China Three Gorges International Limited represented by Shengliang Wu		14/04/2021
	China Three Gorges (Europe), S.A. represented by Ignacio Herrero Ruiz		20/02/2012
	China Three Gorges Brasil Energia, S.A.. represented by Hui Zhang(*)		05/04/2018
	China Three Gorges (Portugal), Sociedade Unipessoal, Lda. represented by Miguel Espregueira Mendes Pereira Leite		21/04/2015
	DRAURSA, S.A. represented by Felipe Fernández Fernández		21/04/2015
	Fernando Maria Masaveu Herrero		20/02/2012
	João Carvalho das Neves	Independent	21/04/2015
	María del Carmen Fernández Rozado	Independent	21/04/2015
	Laurie Lee Fitch	Independent	05/04/2018
	Esmeralda da Silva Santos Dourado	Independent	14/04/2021
	Helena Sofia Silva Borges Salgado Fonseca Cerveira Pinto	Independent	14/04/2021
	Sandrine Dixson-Declève	Independent	14/04/2021
	Zili Shao	Independent	14/04/2021
	Luís Maria Viana Palha da Silva	Independent	24/04/2019

The representatives of the companies China Three Gorges Corporation and China Three Gorges International Limited initiated their term of office on 11 May 2012, following the entry into force, with EDP, of the Strategic Partnership Agreement concluded on 30 December 2011.

(*) Ms. Li Li has tendered her resignation on 5 August 2022 and was replaced by Ms. Hui Zhang as from 2 December 2022.

Executive Board of Directors

The Executive Board of Directors is responsible for managing the Company's activities and representing the Company, pursuant to Article 431 of the Companies Code and Article 17 of the Articles of Association and was elected by the shareholders at a General Meeting.

Pursuant to Article 16 (2) of the Articles of Association of EDP, the Executive Board of Directors must have a minimum of five and a maximum of nine members.

The members of the Executive Board of Directors may not exercise executive functions in more than two companies not integrating EDP Group, and the exercise of the referred functions shall be subject to prior appraisal by the Executive Board of Directors, according to Article 7 of the Internal Regulation of such body.

At the Extraordinary General Shareholders' Meeting held on 19 January 2021, the members of the Executive Board of Directors were elected for the 2021-2023 term of office. The term of office of the members of this Board ends on 31 December 2023, without prejudice to their maintenance in office until a new appointment.

During 2022, the Executive Board of Directors was composed as follows:

EXECUTIVE BOARD OF DIRECTORS		FIRST APPOINTMENT DATE
CHAIRMAN	MIGUEL STILWELL DE ANDRADE	20/02/2012
	Miguel Nuno Simões Nunes Ferreira Setas	21/04/2015
	Rui Manuel Rodrigues Lopes Teixeira	21/04/2015
	Vera de Morais Pinto Pereira Carneiro	05/04/2018
	Ana Paula Garrido de Pina Marques	19/01/2021

18. Independent members of the Executive Board of Directors and General and Supervisory Board

EDP's Articles of Association (Article 9 (1), Article 10 (1), Article 11 (2) (d), Article 21 (4), Article 22 (1) (a), Article 23 and Article 27) and the Internal Regulation of the General and Supervisory Board (Article 8), both available on its website: [Articles of Association](#) and [Internal Regulation](#)

[of the General and Supervisory Board](#), lay down the rules on independence and incompatibilities for members of any of the Company's corporate bodies.

The criteria of independence set out in EDP's Articles of Association are in line with those laid down in 414 (5) of the Companies Code and determine that independence means an absence of direct or indirect relations with the Company or one of its bodies and an absence of any circumstances that might affect impartiality of analyses or decisions, e.g. because the people in question own or are acting on behalf of owners of a qualifying shareholding of 2% (two percent) or more of the share capital of EDP or have been re-elected for more than two terms of office continuously or intermittently.

Pursuant to Article 9 (1) of EDP's Articles of Association, independence is "absence of direct or indirect relations with the Company or one of its bodies and an absence of any circumstances that might affect impartiality of analyses or decisions, e.g., because the people in question own or are acting on behalf of owners of a qualifying shareholding of 2% (two percent) or more of the share capital of EDP or have been re-elected for more than two continuous or intermittent mandates".

In view of the need to clarify the aforementioned Article 414 (5) of the Company Code, as there are diverging legal opinions, Associação de Emitentes de Valores Cotados em Mercado ("AEM") requested an opinion from the CMVM, whose opinion was that the capacity as independent is only lost if, "on the basis of the criterion of number of terms of office, in a situation likely to affect his/her impartiality in analyses or decisions if the members of the supervisory bodies of public limited companies, having been elected for a first term of office and re-elected continuously or intermittently for a second and third term, are re-elected (for the third time, therefore) for a fourth term of office."

Pursuant to its Internal Regulation, the General and Supervisory Board has in place a specific procedure regarding compliance with a large number of rules on incompatibilities and independence applicable to positions on this board (Articles 7 and 8 of the General and Supervisory Board Internal Regulation). This procedure includes the following aspects:

- acceptance of a position as member of the General and Supervisory Board is subject to a written statement setting out specifically (i) the inexistence of any incompatibility under the law or Articles of Association; (ii) compliance with the independence requirements set out in its Internal Regulation, if the person has been elected as an independent member; (iii) the members' obligation to report to the Chairman of the

General and Supervisory Board or, for the Chairman, directly to the board any subsequent event that might generate incompatibility or loss of independence;

- every year, the members of the General and Supervisory Board must renew their statements as to the inexistence of incompatibility and, if applicable, the compliance with the independence requirements.

Also, every year, the General and Supervisory Board conducts a general assessment of compliance with the rules of incompatibility and independence by its members.

At the same time, the Internal Regulation of the General and Supervisory Board (article 8) has broadened the independence criteria applicable to its members, going beyond the provisions of Article 414 (5) of the Companies Code and Article 9 of EDP's Articles of Association, and so people who directly or through their spouse or relative or similar in a straight line and to the collateral third degree, inclusive, are in one of the following situations cannot have independent status:

- being holder, director, having contractual ties or acting on behalf or on the account of owners of a qualifying shareholding of 2% (two percent) or more of the share capital or voting rights in EDP or the same percentage in a company of which it is a subsidiary;
- being a holder, director, having contractual ties or acting on behalf or on the account of owners of a qualifying shareholding of 2% (two percent) or more of the share capital or voting rights in a company that is a competitor of EDP;
- having been re-elected for more than two consecutive or non-consecutive terms of office;
- having exercised for twelve years, on a consecutive or non-consecutive basis, functions in any corporate body of the Company exception made to, from the end

of its functions in any body and its new appointment, at least a three-year period has elapsed;

- having, in the last three years, provided services or had a significant commercial relation with the Company or one of its Subsidiaries; and,
- being a remuneration beneficiary paid by the Company or one of its Subsidiaries other than the remuneration deriving from the execution of its functions as a member of the General and Supervisory Board.

The rules of independence covering members of the General and Supervisory Board are particularly important regarding the following requirements:

- the board must consist of a majority of independent members (Article 434 (4) and Article 414 (5) and (6) of the Companies Code and Article 21(4) of EDP's Articles of Association);
- the Financial Matters Committee/Audit Committee is composed, at least by, three independent members of the General and Supervisory Board (Article 23 (2) of EDP Articles of Association and Article 3 (1) of the Financial Matters Committee/Audit Committee's Internal Regulation);
- the Remuneration Committee of the General and Supervisory Board must comprise a majority of independent members (Article 27 (1) of the Articles of Association and Article 28 (b) of the General and Supervisory Board's Internal Regulation);
- the United States of America (USA) Business Affairs Monitoring Committee must be composed mainly of independent members (Article 3 (1) of the Internal Regulation of the Business Monitoring Committee in the United States of America);
- the Corporate Governance and Sustainability Committee must be composed mainly of independent

members (Article 3 (1) of the Internal Regulation of the Corporate Governance and Sustainability Committee.

In compliance with the above procedure, at the start of their terms of office, the members of the General and Supervisory Board stated that they were not in any of the situations of incompatibility set out in the Companies Code (Article 414-A (1) (a) to (e), (g) and (h) (ex vi Article 434 (4)) and Article 437 (1)) or under Article 10 (1) of the Articles of Association and, where applicable, that they complied with the independence requirements of the Internal Regulation of the General and Supervisory Board and the Articles of Association of EDP (article 9 (1), article 11 (2) (d) and article 21 (4)) . Of the incompatibility situations for the exercise of the role of member of the General and Supervisory Board, pursuant to the Article 414-A of the Companies' Code, it is considered the exercise of functions of administration or supervisory in five companies. Therefore, one may not be elected or designated a member of the General and Supervisory Board if holds office of administrator or supervisor in five companies.

At the end of 2022, the members of the General and Supervisory Board renewed their statements on incompatibilities and on independence.

The above statements are available to the public at EDP's website at [General and Supervisory Board Incompatibility Statements](#)

The independent members of the General and Supervisory Board are shown in the chart in Item 17 above.

19. Qualifications of the members of the General and Supervisory Board and Executive Board of Directors

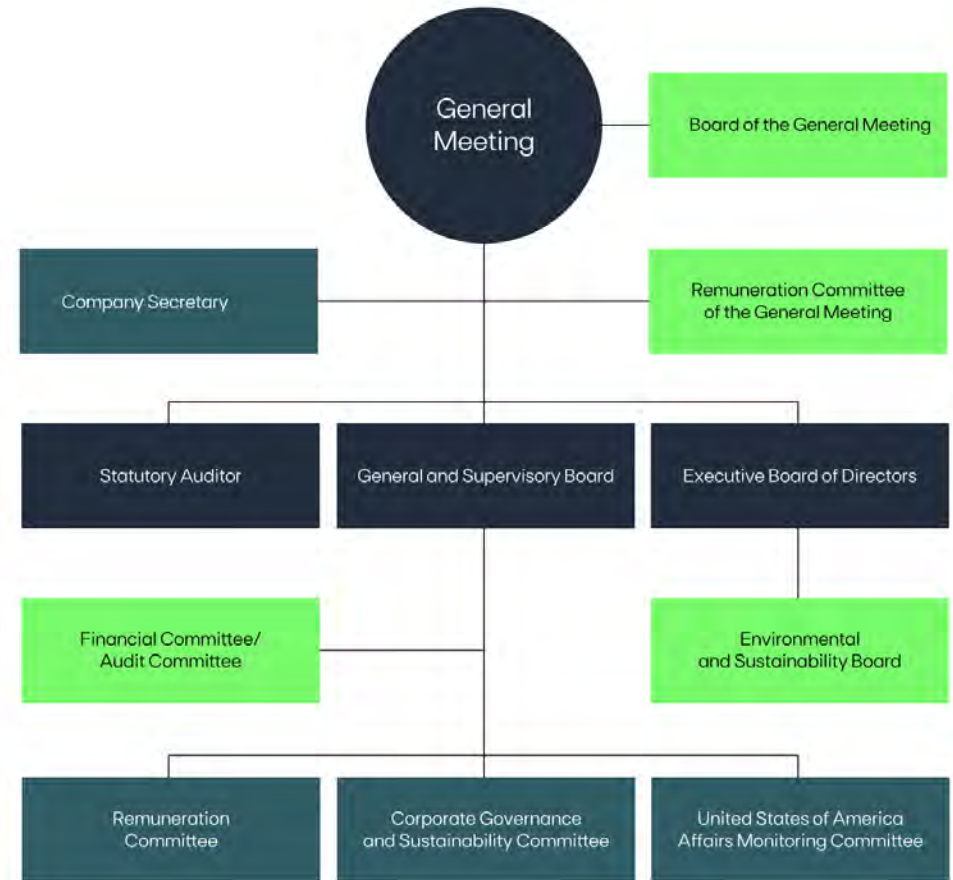
See Annex I of this Report.

20. Family, work-related and business relationships of the members of the General and Supervisory Board and Executive Board of Directors with shareholders owning a qualifying shareholding of over 2% of the voting rights

As for the General and Supervisory Board, and to the best of EDP's knowledge, there are professional relationships between Board members and shareholders attributed a qualifying holding of more than 2% of voting rights, as described below:

- Dingming Zhang, Shengliang Wu, Ignacio Herrero Ruiz, Hui Zhang and Miguel Espregueira Mendes Pereira Leite were appointed representatives respectively of the members of the General and Supervisory Board, through China Three Gorges Corporation, China Three Gorges International Limited, China Three Gorges (Europe), S.A., China Three Gorges Brasil Energia, S.A. (formerly China Three Gorges Brasil Energia Ltda.) e China Three Gorges (Portugal), Sociedade Unipessoal, Lda. China Three Gorges (Europe), S.A., held, on 31 December 2022, a 21.08% shareholding in EDP;
- the member of the General and Supervisory Board Fernando María Masaveu Herrero is chairman of the management body of Masaveu International, S.L. which owns 55.9% of Oppidum, S.L., a company with a 7.20% shareholding in EDP, on 31 December 2021. Fernando María Masaveu Herrero is also chairman of the administration body of Oppidum, S.L.;
- the member of the General and Supervisory Board Felipe Fernández Fernández is a manager of Unicaja Banco S.A. which owns 44.1% of Oppidum, S.L., a company with a 7.20% shareholding in EDP, on 31 December 2022.

21. Organisation chart, delegation, and division of powers



- Corporate Entites ¹
- Corporate Bodies
- Other Statutory Bodies

¹ Corporate Entites are also Corporate Bodies, pursuing the article 8(4) of EDP's Articles of Association.

Powers of the General and Supervisory Board

Pursuant to Article 22 of the Articles of Association, the General and Supervisory Board is especially responsible for:

- permanently monitor the management of EDP and its subsidiaries and provide management advice and assistance to the Executive Board of Directors, particularly regarding strategy, goals, and compliance with the law;
- issue opinions on the annual report and accounts;
- permanently oversee the work of the Statutory Auditor of the Company, regarding the former, issue an opinion on their election or appointment, dismissal, independent status, and other relations with the Company;
- oversee, on a permanent basis, and evaluate internal accounting and auditing procedures, the efficacy of the risk management system, internal control system and internal auditing system, including the way in which complaints and queries are received and processed, whether originating from employees or not;
- propose to the General Meeting the removal from office of any member of the Executive Board of Directors;
- monitor the definition of criteria and responsibilities required or appropriate for the structures and internal bodies of the Company or Group and their impact and draft follow-up plans;
- provide for the replacement of members of the Executive Board of Directors in the event of permanent or temporary absence, as required by law;
- issue an opinion on their annual vote of confidence in the directors set out in Article 455 of the Company Code, on its own initiative or when requested to do so by the CEO;
- monitor and assess matters of corporate governance, sustainability, internal codes of ethics and conduct and compliance with these codes and systems for appraising and resolving conflicts of interest, including

those associated with the Company's relations with its shareholders, and issue opinions on these matters;

- obtain the financial or other resources that it reasonably deems necessary for its work and ask the Executive Board of Directors to take any measures or make any corrections that it considers pertinent, with the power to hire independent consultants, if necessary;
- receive regular information from the Executive Board of Directors on significant business relations between the Company or its subsidiaries and shareholders with a qualifying holding and persons related to them;
- appoint the Remuneration Committee and Financial Matters Committee/Audit Committee;
- represent the Company in its relations with the directors;
- supervise the work of the Executive Board of Directors;
- oversee compliance with the law and Articles of Association;
- select and replace the Company's Statutory Auditor, giving the Executive Board of Directors instructions for engagement or dismissal;
- monitoring the bookkeeping, accounts and supporting documents and the status of any assets or securities held by the Company, as and when it deems appropriate;
- supervise the preparation and disclosure of financial information;
- call the General Meeting when it deems appropriate;
- approve its Internal Regulation, which includes rules on relations with the other corporate bodies;
- exercise any other powers that may be granted by law, the Articles of Association or by the General Meeting.

Under the corporate governance model in place at EDP, the General and Supervisory Board also has a power of particular importance. Although it does not have management powers, pursuant to Article 442 (1) of the Company Code, Article 17 (2) of the Articles of Association lays down that the approval of

EDP's strategic plan and performance of the operations indicated below by EDP or its subsidiaries are subject to a prior favourable opinion from this board (see also Article 15 of the Internal Regulation of the General and Supervisory Board):

- acquisitions and sales of assets, rights, or shareholdings of significant economic value;
- financing operations of significant value;
- opening and closure of establishments, or important parts thereof, and substantial extensions or limitations of Company activity;
- other transactions or operations of significant economic or strategic value;
- formation or termination of strategic partnerships or other forms of lasting cooperation;
- plans for splits, mergers, or conversions;
- amendments to the Articles of Association, including changes of registered office and share capital increases when on the Executive Board of Directors' initiative.

The Chairman of the General and Supervisory Board is granted particular powers, and pursuant to Article 5 of the General and Supervisory Board Internal Regulation, is responsible for:

- convening and presiding over meetings of the General and Supervisory Board;
- representing the General and Supervisory Board institutionally;
- coordinating the work of the General and Supervisory Board and the correct operation of its committees, being entitled to attend any meeting, and being kept informed of their activities;
- proposing to the plenary General and Supervisory Board the members, the Chairman and, when appropriate, the Vice-Chairman of each committee;

- ensuring that the members of the General and Supervisory Board punctually receive the information they need for their duties;
- requesting from the Executive Board of Directors relevant information for the General and Supervisory Board and its committees to perform their duties and ensuring that the members of the General and Supervisory Board receive it in good time;
- taking the necessary measures to ensure that the General and Supervisory Board adequately monitors the activity of EDP and of subsidiaries;
- monitoring implementation of the General and Supervisory Board's budget and managing the material and human resources assigned to it;
- ensuring correct implementation of General and Supervisory Board decisions.

The Chairman of the General and Supervisory Board or, in his/her absence or incapacity, a member selected by the board for that purpose, may attend meetings of the Executive Board of Directors whenever s/he sees fit and take part in the discussion of matters to be submitted to the General and Supervisory Board, without having any voting rights pursuant to Article 21 (10) of EDP's Articles of Association.

The members of the Financial Matters Committee/Audit Committee have a right to attend the meetings of the Executive Board of Directors when the accounts are appraised (see Article 10 of the Financial Matters Committee/Audit Committee Internal Regulation).

Worth also noting that the General and Supervisory Board annually performs:

- a self-assessment of its activity and performance and those of its committees, the conclusions of which are set out in its annual report (see Article 12 of the General and Supervisory Board Internal Regulation);

- an independent assessment of the activity and performance of the Executive Board of Directors, the conclusions of which are submitted to the General Meeting and are presented of annex to the annual report of the General and Supervisory Board.

On the initiative of the General and Supervisory Board, EDP has voluntarily established a formal, impartial process to assess the activity of this board and of the Executive Board of Directors. Experience of recent years has allowed the General and Supervisory Board to make some changes in the process to make it more effective and efficient. During the 2022 financial year, the method used comprises the following stages:

- carry out the collective evaluation process of the General and Supervisory Board, its Specialized Committees, and the Executive Board of Directors to an external entity, in order to have interviews supported by individual questionnaires to the General and Supervisory Board members support in completing and validating the treatment of information to support the evaluation process;
- in the beginning of 2023, each member of the General and Supervisory Board have answered an interview made by specialized consultants, answering to quantitative and qualitative matters, in particular on matters related to the composition, organization and functioning, activity performance of the General and Supervisory Board, relationship between the General and Supervisory Board and the Specialized Committees and other EDP corporate bodies as well as to proceed with the analysis of matters related with the composition, organization of the Executive Board of Directors, its activity performance and the relationship between the Executive Board of Directors and the General and Supervisory Board;

- reports were produced on the General and Supervisory Board evaluation, on its Specialized Committees and on the Executive Board of Directors, which were available for assessment in the General and Supervisory Board meeting;
- in its meeting, the General and Supervisory Board issues its assessment opinions and they are included in this board's annual report.

At the General Meeting, the Chairman of the General and Supervisory Board presents the board's opinion in the item of the agenda for assessment of the Executive Board of Directors.

Powers of the Executive Board of Directors

The Executive Board of Directors is a collegial body. No director is allowed to represent more than one other director at each meeting.

The powers of the Executive Board of Directors, in accordance with the Article 17 (1) of the Articles of Association, include:

- setting the goals and management policies of EDP and the EDP Group;
- drawing up the annual business and financial plans;
- managing corporate business and undertaking all actions and operations associated with the corporate object that do not fall within the responsibilities of other company bodies;
- representing the Company in and out of court, actively and passively, with the power to waive, transact and admit guilt in any legal proceedings and make arbitration agreements;
- buying, selling or by any other means disposing or encumbering rights or immovable assets;

- setting up companies and subscribing, purchasing, encumbering, and selling shareholdings;
- deciding on the issue of bonds and other securities in accordance with the law and the Articles of Association, in compliance with the annual quantitative limits set by the General and Supervisory Board;
- establishing the technical and administrative organisation of EDP and the Internal Regulation, particularly in relation to personnel and their remuneration;
- appointing proxies with such powers as it sees fit, including the power to delegate;
- appointing the Company Secretary and alternate;
- hiring and dismissing the Statutory Auditor on recommendation of the General and Supervisory Board;
- exercising any other powers that may be granted to it by law or by the General Meeting;
- establishing its own Internal Regulation.

As executed in 2021, proposals to amend EDP's Articles of Association regarding share capital increases submitted by the Executive Board of Directors require a favourable prior opinion from the General and Supervisory Board, pursuant to Article 17 (2) (g) of the Articles of Association.

The Chairman of the Executive Board of Directors sends the Chairman of the General and Supervisory Board the notices of meetings, support documents and minutes of the meetings and, on request, provides appropriate, timely information.

When so requested by other members of the corporate bodies, the Executive Board of Directors also provides all the required information in a timely and appropriate fashion. There is an information sharing portal for the Executive Board of Directors and General and Supervisory Board, which is

accessible to all their members, without prejudice to restrictions on access to information regarding members who are in a situation of conflict of interests.

The Chairman of the Executive Board of Directors is granted particular powers by Article 18 of the Articles of Association.

These powers are:

- representing the Executive Board of Directors;
- coordinating the work of the Executive Board of Directors and convening and presiding over its meetings;
- ensuring proper execution of the decisions of the Executive Board of Directors.

The Chairman of the Executive Board of Directors is entitled to attend the meetings of the General and Supervisory Board, whenever considered appropriate, except when these concern decisions on the supervision of the work of the Executive Board of Directors and, in general, any situations that may involve a conflict of interest, pursuant to Article 18 (2) of the Articles of Association.

In the Executive Board of Directors there is a functional division of management areas to each of its members. The college of directors is responsible for making decisions on all matters within its remit. Delegated powers are not granted to directors individually, because of the board's particular nature.

As previously explained, the activity and performance of the Executive Board of Directors are assessed continuously and independently by the General and Supervisory Board on an annual basis.

During 2022, the allocation of Corporate Departments and Business Units to the members of the Executive Board of Directors was as follows:

Miguel Stilwell d'Andrade	
Corporate Global Units	Companies
<p>CORPORATE GOVERNANCE SUPPORT</p> <ul style="list-style-type: none"> • CEO Office • Internal Audit • Compliance & Internal Control • Ethics Office • Legal & Governance <p>STRATEGY AND FINANCIAL AREA</p> <ul style="list-style-type: none"> • M&A and Corporate Development <p>HUMAN RESOURCES</p> <ul style="list-style-type: none"> • People & Organizational Development <p>COMMUNICATION AND TRADEMARK</p> <ul style="list-style-type: none"> • Communication 	<ul style="list-style-type: none"> • EDP Renováveis (and respective subsidiaries) • EDP Sucursal en España
Miguel Setas	
Corporate Global Units	Companies
<p>RISK MANAGEMENT AND SUSTAINABILITY AREA</p> <ul style="list-style-type: none"> • Risk • Sustainability • Safety, Security & Business Continuity 	<ul style="list-style-type: none"> • E-Redes • IE2/EDP Redes España • Companhia de Eletricidade de Macau (CEM) • EDP Brasil (and respective subsidiaries) • EDP Global Solutions • Sãvida • Energia Re • EDP – Estudos e Consultoria
Rui Teixeira	
Corporate Global Units	Companies
<p>STRATEGY AND FINANCIAL AREA</p> <ul style="list-style-type: none"> • M&A and Corporate Development • Energy Planning • Consolidations, IFRS Reporting and Tax • Planning & Control • Finance • Investor Relations 	<ul style="list-style-type: none"> • EDP GEM • EDP Finance BV

Vera Pinto Pereira	
Corporate Global Units	Companies
<p>COMMUNICATION AND TRADEMARK</p> <ul style="list-style-type: none"> • Brand • Social Impact Coordination Office 	<ul style="list-style-type: none"> • EDP Comercial (and respective subsidiaries) • SU Eletricidade • EDP Gás Serviço Universal • EDP Clientes • EDP Solar • EDP Energia Polska • EDP Energia Italia • Fundação EDP¹
Ana Paula Marques	
Corporate Global Units	Companies
<p>DIGITAL</p> <ul style="list-style-type: none"> • Digital <p>REGULATION AND INSTITUTIONAL RELATIONS AREA</p> <ul style="list-style-type: none"> • Regulation • Competition & Energy Policy • External Affairs & Stakeholders 	<ul style="list-style-type: none"> • EDP Produção (and respective subsidiaries) • EDP Internacional (and respective subsidiaries) • EDP España (and respective subsidiaries in the electric sector, excluding IE2/EDP Redes España) • EDP Inovação (and respective subsidiaries) • Labelec (and respective subsidiaries)

¹ Without prejudice of the competencies led by the General and Supervisory Board under the Articles of Association of Fundação EDP

EDP's functional structure

Group's organisational model

The Executive Board of Directors is responsible for defining the EDP Group's organisational model and splitting competences among the different Business Units, the Shared Services companies, and the central structure. This structure consists of a Corporate Centre that provides assistance to the Executive Board of Directors in defining and monitoring the execution of strategies, policies, and goals.

The Corporate Centre is organised by Corporate Departments and Cabinets (Corporate Global Units), allowing for optimisation and greater efficiency of the organisational structure.

The Executive Board of Directors is also assisted by specialised committees, which ensure more effective monitoring of matters and contribute to the decision-making process.

On 31 December 2022, the corporate centre structure was as follows:

CORPORATE CENTRE	
DEPARTMENTS	
Corporate Governance Support Area	
Legal & Governance	Rita Ferreira de Almeida
CEO Office	Mónica Gameiro
Internal Audit	Azucena Viñuela Hernández
Compliance & Internal Control	Rita Sousa
Ethics Office	Maria Manuela Silva
Strategy and Financial Area	
Energy Planning	Jorge Casillas
M&A and Corporate Development	André Fernandes
Finance	João Pedro Summavielle
Consolidations, IFRS Reporting and Tax	Felix Arribas Arias
Planning & Control	Rui Antunes
Investor Relations	José Miguel Viana
<i>Social Impact Coordination Office</i>	Martim Salgado
Risk and Sustainability Area	
Sustainability	José Miguel Viana
Safety, Security and Business Continuity	Miguel Amaro
Risk	Rui Eustáquio
Regulation and Institutional Relations Area	
Regulation	Sandra Pinto Ferreira
Competition & Energy Policy	Ricardo Ferreira

CORPORATE CENTRE

External Affairs & Stakeholders	Maria Marta Geraldes
Resources Area	
<i>Digital</i>	João Nascimento
<i>People & Organizational Development</i>	Paula Carneiro
Communication and Brand Area	
Communication	Rui Cabrita
Brand	Catarina Barradas

The **Legal & Governance** provide legal advice to the Group's companies with registered office in Portugal, ensure the coordination of legal issues relating to the various companies that are part of the Group, consolidating the respective information and defining generic guidelines that apply to them, promote the harmonization of corporate governance policies at the Group and perform the administrative and logistical function to support the EBD.

The **CEO Office** support the CEO of the EBD in all matters defined within the scope of its action, with the aim of contributing to maximizing the effectiveness of the decisions and indications established.

The mission of the **Internal Audit** is enhance and protect organizational value by providing risk-based and objective assurance, advisory and insight, covering the following areas of activity (i) evaluate and issue recommendations to improve the Company's governance processes and (ii) assist the organization to improve risk management processes and maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvements covering the governance, operations and information systems of the organization, regarding to the achievement of the organization's strategic objectives, the reliability and integrity of financial, non-financial and operational information, the effectiveness and efficiency of operations and programs, the safeguarding assets and compliance with laws, regulations, policies, procedures and contracts.

The **Compliance & Internal Control** is responsible for promoting and coordinating the implementation of Compliance mechanism within the Group in order to improve and protect the Group's value and operations and contribute to the improvement of risk management,

control, and governance processes in the EDP Group and ensure the implementation of the Internal Control of Financial Reporting (SCIRF).

The **Ethics Office** is responsible for supporting the General and Supervisory Board and the Executive Board of Directors in the definition, communication, implementation and assessment of the objectives, policies, and management instruments in matters of business ethics and manage the ethical complaints processes in the Group, respecting the commitments established regarding confidentiality and protection of the rights of the parties involved.

The mission of the **Energy Planning** is prepare studies and opinions to support the Executive Board of Directors in the decision-making process regarding the definition of the energy planning strategy and business development for the various Business Units of the Group.

The **M&A and Corporate Development** is responsible for coordinating studies to support the Group's global business strategy and execute development operations through investments, divestments and/or establishing partnerships, with the aim of supporting the EBD in optimizing the business portfolio and promoting and realizing new opportunities of business.

The mission of the **Risk** is to promote an integrated view of business risk, ensuring the alignment of risk policies and limits with the defined appetite for the Group and coordinate risk-return studies at Group level, with the aim of supporting the Executive Board of Directors in monitoring and mitigation of key risks.

The **Regulation** designs, plans and executes the Group's regulatory strategy, anticipating challenges, ensuring an integrated perspective, analysing economic and financial

impacts, and supporting the Executive Board of Directors in planning, prioritization, and decision-making.

The mission of the **Competition & Energy Policy** is to coordinate studies of a strategic scope regarding the sector's legal framework and competition, with the aim of supporting the EBD in the development of a global vision on issues related to the legal framework and market design. Coordinate regulatory/legal consultation actions at European level. Promote compliance on Competition issues.

The mission of the **Sustainability** is to support the Executive Board of Directors in the definition and implementation of the Group's sustainability policy and strategy, defining corporate objectives and targets, streamlining its operation and continuous improvement in the Business Units. Carry out the reporting of consolidated non-financial information to interested parties within the defined schedules.

The **Safety, Security and Business Continuity** support the Executive Board of Directors defining the Safety, Security and Business Continuity strategy and global policies, in accordance with best practices, ensuring their implementation and monitoring, within the EDP Group.

The remit of the **Finance** is to propose and ensure the Group's financial policy, execute the Group's financial management and analyse and monitor the management of the pension fund, with the aim of optimizing and ensuring the sustainability of the financial function and controlling financial liabilities in accordance with the Group policy.

The **Consolidations, IFRS Reporting and Tax** ensure the process of consolidating accounts and ensuring the Group's IFRS accountability, complying with the defined schedules. Ensure the accounting processes, criteria, and rules necessary to guarantee the adequate and consistent

accounting treatment and recording of operations by the various companies of the EDP Group.

The **Planning & Control** is responsible lead EDP Group's Financial Planning and Control, with the objective of ensuring alignment with strategic goals and control the business plan execution.

The **Investor Relations** ensures communication with analysts and investors of the Group's companies, with the aim of guaranteeing the sustainability of the EDP image and reputation and meeting the information requirements of the regulatory and financial supervision entities.

The mission of the **Social Impact Coordination Office** is to define the global social investment strategy, in order to maximize the EDP Group's social impact, while ensuring the alignment of all the EDP Group's social investment vehicles.

The mission of the **Digital** turn EDP into a truly digital organization, defining a global technological strategy and vision for the Group, integrating digital technology into business domains and transforming the way of working and delivering value.

The mission of the **People and Organizational Development** is to define a global people and organization development strategy, which provides an engaging and inclusive experience, enabling the EDP Group to face the challenges of energy transition.

The mission of the **Brand** is to define and develop EDP Group Brand Strategy, as well as the EDP Group's Brand Activation and Sponsorship Policy, ensuring the alignment with the Group's values and vision.

The mission of the **Communication** is to develop and implement the EDP Group's global communication strategy,

and reinforce the involvement of employees with the company. Ensure the monitoring of EDP's reputation, the relationship with the media and the management of digital platforms for internal and external communication.

The **External Affairs & Stakeholders** ensures an integrated and consistent narrative with the Group's stakeholders, in line with the vision and strategy adopted, with the objective of maximizing the Group's communication potential for its stakeholders and contributing to fluid and systematized information about the Group and its actions.

EDP Platforms

As a result of EDP Group's Business Plan for the period 2021-2025 objectives, and the necessary introduction of changes to the Group's structure that respond to the challenges contained in such Business Plan, since 2021, EDP Group established a management model by platforms with the inherent coordination mechanisms, respecting the existing structures in the different geographies where the Group is present.

The established model is based on the balance between platforms and geographies, compliance with the legal and regulatory framework and considers the specificities existing in each of the geographies and business areas in which the Group operates, allowing, at the same time, to respond in a consistent, synergistic, and global manner, to the path that EDP Group advocated following the approval of its Business Plan for the period 2021-2025.

Specific EDP committees (Functional Structures)

The EDP organizational model provides for management committees that contribute in two ways to the Company's decision-making process:

- the Management Committees result in a set of information to assist the Executive Board of Directors in its decision-making reflecting opinions and information from the areas in the organisation most affected by the proposal in question;
- they are used by an organisational unit (belonging to the Corporate Centre, a Business Unit or shared service unit) to assist in gathering information, alignment, decisions and implementation of policies and practices with a cross impact.

On 31 December 2022, the Committees structure configuration was as follows:

CORPORATE COMMITTEES
Risk Committee
Sustainability Committee
Investment Committee
Regulation Committee
Finance Committee
Stakeholders Committee
Pension Fund Plan Committee
People & Organization Committee
Digital and Information Technology Committee
Health & Safety Committee

Corporate Committees

Risk Committee

The main duties of the Risk Committee are:

- share information about main risks and overall risk profile of EDP Group;
- discuss the results of risk assessments developed together with the organizational units;
- discuss and issue opinions or recommendations on risk policies, risk limits or specific risks;
- promote and follow up on risk identification and assessment of main risks;
- approve the periodical reporting model that should be presented by Business Units or Corporate Risks, as well as other monitoring mechanisms.

The Risk Committee is presided by Director Miguel Setas and the person responsible for the Risk has secretarial duties.

The Risk Committee held three meetings in 2022.

Sustainability Committee

The Sustainability Committee's responsibilities are as follows:

- share information and discuss the implications of major legislative packages in sustainability;
- share the evolution of the Group's ESG performance indicators and respective benchmarks;
- discuss and issue an opinion on the development and update of corporate sustainability policies;
- discuss and issue an opinion on the annual action plans, as well as the objectives and goals to be achieved by the EDP Group;
- monitor the development of the approved action plans and the activities of the sustainability management structures of the EDP Group companies;

The Sustainability Committee is presided by Director Miguel Setas and the person responsible for the Sustainability has secretarial duties.

The Sustainability Committee held one meeting in 2022.

Investment Committee

The Investments Committee discuss, challenge and issues a recommendation in relation to investment and disinvestment proposals and discuss and update the Cost of Capital of EDP and its Business Units.

The Investments Committee is presided by Director Rui Teixeira and a representative of the M&A and Corporate Development has secretarial duties.

The Investments Committee held ninety-three meetings in 2022.

Regulation Committee

The mission of the Regulation Committee is as follows:

- keep track of policy, legislative, regulatory and organizational changes in the energy sector at the various geographies where EDP Group operates;
- anticipate the impacts on the value creation and EDP strategic objectives and any actions to be taken to ensure the company's best interests, through the identification and monitoring of the most significant regulatory opportunities and risks;
- within the scope of the European Commission's energy strategy and policy, monitor the implementation of the Internal Market and Competition Directives relating to the electricity and gas sectors in the national regulatory frameworks;
- analysis, discussion and preparation of proposals to support EDP's Executive Board of Directors in defining the positions to be defended by EDP Group within the scope of its market participation and to safeguarding the sector sustainability;
- promote the exchange of experience on regulatory practices in the geographic environment in which the EDP Group companies carry out their activities, as well as the sharing of best practices;
- monitor price evolution and the subsequent implications of tariff policies and measures adopted, per se and comparatively;
- present strategic studies on the legal and regulatory framework of the sector to support the EBD in decision-making.

The Regulation Committee is presided by Director Ana Paula Marques and the person responsible for the Regulation has secretarial duties.

The Regulation Committee held four meetings in 2022.

Finance Committee

The Finance Committee's main duties are:

- develop an integrated vision of the leading corporate finance topics and processes impacting the Group and Business Units;
- follow-up the main Group-wide finance initiatives, namely in what respects efficiency;
- promote internal and external benchmarking to adopt best practices in the finance area;
- analyze and discuss the information to be published to the market, as well as its internal mechanisms of control and disclosure.

The Financing Committee is presided by Director Rui Teixeira and, on a rotating basis, the head of the Planning & Control, the head of the Finance, the head of the Investor Relations and the head of the Consolidation, IFRS Reporting and Tax have secretarial duties.

Stakeholders Committee

The duties of the Stakeholders Committee are as follows:

- Assess the alignment and coherence of stakeholder relationship strategies in the different markets and geographies where the EDP Group develops its activity;
- discuss priorities and propose guidelines and a management model for Group relations with its stakeholders;
- evaluate the implementation of the Group stakeholders management policy.

This Committee is presided by Director Ana Paula Marques and the person responsible for the External Affairs & Stakeholders has secretarial duties.

Pension Fund Plan Committee

The Pension Fund Plan Committee's main responsibilities are:

- share relevant information with impact on the Pension Fund management;
- analyse the evolution of assets under control, the return of the Fund and the management mandates, as well as the performance of the different asset managers;
- monitor the evolution of the value of the Fund's Liabilities and respective level of funding;
- issue opinions on changes to the Investment Policy and/or assets' management mandates, on the actuarial assumptions to calculate the Fund's Liabilities and on the contributions made by Associates to the Pension Fund.

The Pension Plan and Fund Committee is presided by Director Rui Teixeira and the person responsible for the Finance has secretarial duties.

The Pension Fund Plan Committee held four meetings in 2022.

People & Organization Committee

The duties of the P&OD Committee are as follows:

- present the P&OD annual action plan and report the execution;
- monitor KPIs and main initiatives in different areas;
- align and promote the global policies that allow best practices in people and organizational management;
- be challenged by the committee and embrace new opportunities to keep building the future-proof organization.

This Committee is presided by the Chairman of the Executive Board of Directors, Miguel Stilwell de Andrade, and the person responsible for the *People & Organizational* has secretarial duties.

The People & Organization Committee held one meeting in 2022.

Digital & IT Committee

The Digital & IT Committee's duties are as follows:

- align the Digital and IT global strategy, including information security;
- define and consolidate the Digital and Information Technology global budget, including information security;
- monitor the development of the main Digital and Information Technology projects.

The Digital & IT Committee is presided by Director Ana Paula Marques and the person responsible for Digital has secretarial duties.

The Digital & IT Committee held three meetings in 2022.

Health & Safety Committee

The Health & Safety Committee's duties are as follows:

- recommend the Health and Safety Objectives for EDP Group;
- analyse the Annual Activity Report and give an opinion on EDP's Prevention and Safety Activities Plan;
- assess the evolution of the main occupational safety indicators and propose improvement actions;
- issue an opinion on the normative documents of the safety management system that have a general scope

within the EDP Group or have a transversal impact on various sectors and activities.

The Health & Safety Committee is presided by Director Miguel Setas and the person responsible for Safety, Security and Business Continuity has secretarial duties.

The Health & Safety Committee held one meeting in 2022.

Other Structures

Ethics Commission

Ethics Commission adopted an independent structure from the executive management, with a relatively small number of members, which includes two independent members of the General Supervisory Board, the respective Chairman being simultaneously Chairman of the Ethics Committee, and members with certain specific functions, namely, Ethics Ombudsman, Human Resources, Compliance and Legal.

The main mission of this Committee is to independently ensure the monitoring and application of the EDP Code of Ethics, also proceeding with the assessment and deliberation, in accordance with the respective competences, of the matters submitted to it, notably relating the complaints submitted through the Speak Up channels, as well as promoting and supporting the development and implementation of mechanisms for the consolidation of the principles of business ethics in the Group.

In 2022, the Ethics Commission held five meetings.

Customer Ombudsman

The Customer Ombudsman is an independent entity that was created in 2008 to reinforce the EDP Group's customer care policy. Its responsibilities, pursuant to Article 9 of the

EDP Group Companies' Customer Ombudsman Regulation, are as follows:

- receive and examine complaints filed by customers or by other complainants and directly related to actions or omissions by EDP Group companies, issuing its opinions;
- enter into dialogue with customers and/or complainants making a complaint;
- arbitrate disputes and conflicts between customers or other complainants and EDP Group companies
- issue opinions on matters relating to the activity of EDP Group companies, if requested to do so by any of their corporate bodies
- propose measures to improve quality of service and customer satisfaction
- contact third parties to obtain specialist information so that recommendations can be made to the EDP Group companies on measures to be taken to improve their customer relations.

The Regulations of the Customer Ombudsman were revised in 2022 and are available on the respective websites of the EDP Group companies: [Regulations of the Customer Ombudsman – EDP Comercial](#), [Regulations of the Customer Ombudsman – E-REDES](#) and [Regulations of the Customer Ombudsman – SU Eletricidade](#)

Branch in Spain

EDP – Energias de Portugal, Sociedad Anonima, Sucursal en España (EDP Spanish Branch) aims to manage and coordinates the energy interests of the EDP Group's dependent subsidiaries in Spain. Its management and supervisory bodies ensure optimisation of synergies and creation of value in operations and activities in Spain. It is also the organisational platform to lead the Iberian integration for support services. In this regard, EDP Spanish Branch owns all

the corporate holdings in EDP España, S.A.U., EDP Servicios Financieros España S.A.U. and EDP International Investments & Services, S.L. as well as 74.98% of EDP Renováveis, S.A share capital.

EDP Spanish Branch has offices in Madrid and in Oviedo. It is represented in relations with third parties by permanent representatives, who have been appointed members of the EDP Executive Board of Directors for that purpose.

The Branch's steering, coordination, management, and representation structure consists of an Executive Committee and Management Committee. The Executive Committee is composed of five permanent EDP representatives, one Corporate General Director (Group Controller for activities in Spain), and front-line managers in charge of the Business Units in Spain. This committee basically serves as the coordinator of the permanent representatives' activities. The Management Committee is chaired by the Group Controller and is a natural extension of the management departments at the EDP Corporate Centre, i.e. Environment, Sustainability and Innovation Department, Legal Department, Internal Audit Department, Financial, Management and Human Resources Department, a Procurement Department and Information Technology Department, Projects and Prevention Department, a Fundação EDP España Department and a Communication, Marketing, and Trademark Department, ensuring and regrouping homogeneously these position of subsidiaries of EDP Group in Spain.

B) Operation

22. Location where the operating regulations of the General and Supervisory Board and Executive Board of Directors can be consulted

The functioning of the General and Supervisory Board and Executive Board of Directors are governed by their Internal

Regulation, available on EDP's website, at: [Executive Board of Directors Internal Regulation](#) and [General and Supervisory Board Internal Regulation](#)

23. Meetings and attendance rate of each member of the General and Supervisory Board and Executive Board of Directors

Ordinary meetings of the General and Supervisory Board are held at least once every quarter and extraordinary meeting take place whenever convened by the Chairman, on his/her own initiative or at the request of any of its members, the Executive Board of Directors, or its Chairman, pursuant to Article 24 (1) of the Articles of Association and Article 20 (1) of the Internal Regulation of the General and Supervisory Board.

The General and Supervisory Board met ten times in 2022 and minutes were kept of all the meetings.

Information on the attendance of each member of the board is provided in Annex II to this Report.

Pursuant to the provisions of Article 20(1) of the Articles of Association and Article 8 (1) of the Executive Board of Directors Internal Regulation, this body will have ordinarily met at least twice a month, as fortnightly meetings were compulsory. Nevertheless, the Executive Board of Directors meets weekly, as a rule.

The Executive Board of Directors met fifty-nine times in 2022 and minutes were kept of all the meetings. Information on the attendance of each member of the board is provided in Annex III of this Report.

24. Company bodies with powers to evaluate performance of executive directors

The Remuneration Committee of the General and Supervisory Board is responsible for, namely, the annual evaluation of the Executive Board of Directors, considering, among other factors, the fulfilment of the Company's strategy and the previously set goals, plans and budgets for the purpose of considering and determining the variable remuneration of the Chairman and of the other members of the Executive Board of Directors. It also evaluates the individual performance of each member of the Executive Board of Directors, including this evaluation the contribution of each member to the mode of operation of this body and the relationship between the various corporate bodies of the Company.

Additionally, the General and Supervisory Board evaluates the Executive Board of Directors accordingly with the abovementioned Item 21.

25. Pre-determined criteria for performance evaluation of executive directors

These criteria for evaluating the performance of the Members of the Executive Board of Directors are set out in points 69 and 71 of the Corporate Governance Report.

26. Positions held at other Group or non-group companies by each member of the General and Supervisory Board and Executive Board of Directors

The positions held by members of the General and Supervisory Board and Executive Board of Directors in other EDP Group or non-group companies are shown in Annex I and IV of this Report.

C) Committees of the managing or supervisory body

27. Committees set up in the General and Supervisory Board and Executive Board of Directors

The Internal Regulation of the General and Supervisory Board as well as the provisions of the law and of the Articles of Association regarding the Financial Matters Committee/Audit Committee provide for the establishment of permanent committees and temporary committees, composed of some of its members, without prejudice to its responsibility for the exercise of its duties as a corporate body. These committees may be set up whenever it sees fit and appropriate and have specific duties delegated to them. It should be noted that, in the case of the Financial Matters Committee / Audit Committee, the respective existence derives from the law, considering the governance model in force at EDP.

The main remit of the permanent and temporary committees is the specific and continuous monitoring of the matters entrusted to them, in order to ensure informed resolutions by the General and Supervisory Board or provide it with information on certain matters.

The committees' activity is coordinated by the Chairman of the General and Supervisory Board, who ensures proper articulation of the committees with the plenary board through their chairmen, who keep him informed by sending notices and the minutes of meetings.

The General and Supervisory Board believes that the committees are important to the regular functioning of the Company as they can perform certain delegated duties, especially monitoring the Company's financial information,

reflecting on its governance system, assessing the performance of directors, and evaluating its own overall performance.

Currently, the General and Supervisory Board has four Specialized Committees: the Financial Matters Committee/Audit Committee, the Remuneration Committee, the Corporate Governance and Sustainability Committee, and the United States of America Business Affairs Monitoring Committee.

28. Membership of the executive committee and/or name of managing director(s)

Not applicable to EDP's governance model.

29. Duties of each committee and summary of work performed while carrying them out

A. The Committees of the General and Supervisory Board

Financial Matters Committee/Audit Committee

Currently, the Financial Matters Committee/Audit Committee is made up of three independent members with the appropriate qualifications and experience, including at least one member with a degree in the area of the committee's duties and specific knowledge of auditing and accounting, as confirmed by the Curriculum Vitae of Chairman, which can be viewed in Annex I of the current Report.

On 31 December 2022, the Financial Matters Committee/Audit Committee members composition as the following:

FINANCIAL MATTERS COMMITTEE / AUDIT COMMITTEE		FIRST APPOINTMENT DATE
CHAIRMAN	JOÃO CARLOS CARVALHO DAS NEVES	22/04/2015
	María del Carmen Ana Fernández Rozado	22/04/2015
	Helena Sofia da Silva Borges Salgado Fonseca Cerveira Pinto	15/04/2021

In accordance with Articles of Association and the Internal Regulation of the Financial Matters Committee/Audit Committee and under the applicable law, are assigned to this Committee, by delegation from the General and Supervisory Board, the following powers:

- financial matters and financial practices;
- internal audit practices and procedures;
- internal mechanisms and procedures of the Internal Control System for Financial reporting (ICSMFR);
- matters relating to risk management and control system;
- activities and mechanisms of the compliance management system;
- activity and independence of the Statutory Auditor (SA) / Society of Chartered Accountants (SROC) of the company;
- systems for assessing and resolving conflicts of interest, particularly regarding the Company's relations with shareholders.

The composition, role and functioning of the Financial Matters Committee/Audit Committee are in line with the applicable legislation and regulation, including the European Commission Recommendation of 15 February 2005 (2005/162/EC), the European Commission Recommendation of 30 April 2009 (2009/385/EC) as well as the recommendations provided for by the Corporate Governance Code of the Portuguese Institute for Corporate Governance, having the respective Internal Regulation been updated in July 2022.

The Financial Matters Committee/Audit Committee held sixteen meetings in 2022, as envisaged in its Activity Plan. The main matters addressed in those meetings were: the supervision of financial and business information and the monitoring of the activity of Internal Audit, the Internal Control System for Financial Reporting (SCIRF), the Compliance Management System and the Risk Management System. In this context, it also monitored and

supervised litigation procedures, transactions with related parties, ongoing investment procedures, the performance of the Pension Fund, the received communications of irregularities, the relationship with Audit Committees of subsidiaries, the contractual relationship, and the assessment of the objective conditions for the activity and independence of the Statutory Auditor.

Remuneration Committee of the General and Supervisory Board

The Remuneration Committee appointed by the General and Supervisory Board, pursuant to Article 27 of EDP's Articles of Association, submits a proposal for a remuneration policy to the members of the Executive Board of Directors to the approval of the General Shareholders' Meeting, at least every four years and whenever there is a material change in the currently in force remuneration policy.

The mission of this Specialized Committee is to:

- prepare and submit the company policy and objectives regarding the Executive Board of Directors Chairman' and Directors' remuneration determination;
- set the Executive Board of Directors Chairman' and Directors' remuneration;
- monitor and assess the Executive Board of Directors Chairman' and Directors' performance for the purposes of determination of the variable remuneration;
- monitor the dissemination of external information on remuneration and the Executive Board of Directors remuneration policy, in particular the Remuneration Report.

On 31 December 2022, the Remuneration Committee of the General and Supervisory Board was composed as follows:

REMUNERATION COMMITTEE OF THE GENERAL AND SUPERVISORY BOARD		FIRST APPOINTMENT DATE
CHAIRMAN	MIGUEL ESPREGUEIRA MENDES PEREIRA LEITE	15/04/2021
	Esmeralda da Silva Santos Dourado	15/04/2021
	Felipe Fernández Fernández	15/04/2021
	João Carvalho das Neves	22/04/2015
	Zili Shao	15/04/2021

The members of the Remuneration Committee of the General and Supervisory Board Members are mostly independent, pursuant to Article 3 (1) of its Internal Regulations and their Statements of independence [are available on EDP's website](#).

Throughout 2022, and considering its competencies, the Remuneration Committee of the General and Supervisory Board held six meetings, having proceeded to the determination of the annual variable remuneration for the year 2021 of the members of the Executive Board of Directors and to monitor the suitability of the remuneration policy for the members of the Executive Board of Directors submitted for approval of the General Shareholders' Meeting of 14 April 2021.

Corporate Governance and Sustainability Committee

The Corporate Governance and Sustainability Committee is a specialised committee of the General and Supervisory Board. Its purpose is to permanently monitor and supervise all matters related with the following:

- corporate governance;
- sustainability in all its dimensions;
- internal codes of ethics and conduct;
- systems for evaluating and resolving conflicts of interest in relations between the Company and its shareholders, through the analysis of the proposals for remedies regarding situations reported to this Committee by the Financial Matters Committee/Audit Committee (AUDC);
- internal proceedings and relationship between the Company and Subsidiary or Group companies and their employees, clients, providers, and remaining stakeholders;
- succession plans;
- the evaluation process of the General and Supervisory Board and the different Specialized Committees.

The Corporate Governance and Sustainability Committee is made up of members of the General and Supervisory Board, the majority of whom are independent, with the appropriate qualifications and experience for their duties.

On 31 December 2022, the composition of the Corporate Governance and Sustainability Committee was the following:

CORPORATE GOVERNANCE AND SUSTAINABILITY COMMITTEE		FIRST APPOINTMENT DATE
CHAIRMAN	JOÃO LUÍS RAMALHO DE CARVALHO TALONE	15/04/2021
	Ignacio Herrero Ruiz	13/12/2018
	Fernando Maria Masaveu Herrero	15/04/2021
	Laurie Lee Fitch	15/04/2021
	Hui Zhang (*)	15/12/2022
	María del Carmen Ana Fernández Rozado	15/04/2021
	Sandrine Dixson-Declève	15/04/2021

(*) Ms. Li Li was a member of the Corporate Governance and Sustainability Committee until 5 August 2022, when she resigned as a representative member of the General and Supervisory Board. At the General and Supervisory Board meeting held on 15 December 2022, this Board approved the appointment of Ms. Hui Zhang as a member of this Committee.

Considering the competencies of the Corporate Governance and Sustainability Committee, the following topics addressed should be highlighted in the five meetings held in 2022: (i) Ethics – follow-up of the various initiatives developed within the scope of the 2022–2024 Ethics Plan, the results of the survey on the ethical environment carried out at the end of 2021 and recognition by the Ethisphere Institute of EDP as one of the most ethical companies in the world for the 11th time. Still in this context, analyse the opinions issued by the Ethics Committee, reported quarterly, the annual report of the Ethics Ombudsman and follow-up of the changes made to the Code of Ethics of the EDP Group; (ii) The employee – follow-up of the 2021 Climate Study and debate on the global strategy for people and the organization. Monitoring and approval of the Succession Plan for top and senior management and the EDP Group's 2022–2023 Gender Equality Plan. Still within this topic, follow-up of the plan defined to increase the level of digitization of human resources processes and monitoring of the main actions resulting from the assessment of psychosocial risk in the EDP Group; (iii) ESG – Environment, Sustainability and Governance – Continuous analysis and monitoring of the ESG strategy, in particular the EDP Group's "ESG Excellence Roadmap 2030", and the global vision for a just energy transition. As part of the Environment axis, Corporate Governance and Sustainability, Committee members monitored CO2 emissions and the weight of renewable generation in the Group. On the Social axis, the Corporate Governance and Sustainability Committee evaluated the new strategy for social impact and took notice of the status of Fundação EDP and Fundação de Serralves partnership. In terms of Governance, the Corporate Governance and Sustainability Committee assessed the 2021 Corporate

Governance Report and analysed the feedback given by investors and other stakeholders, carrying out a follow-up on the topics. (iv) The Committee also welcomed the Customer Ombudsman to discuss the challenges of customer management.

United States of America Business Affairs Monitoring Committee

The mission of the United States of America Business Affairs Monitoring Committee is the monitoring and passing of resolutions on matters related with the activity undertaken by companies wholly or majority held by and/or subsidiary of EDP Group in the United States of America, notably regarding:

- strategic/business plans, assessing the different developing scenarios in which they rest and their implementation, including the resources necessary to its execution (human and financial);
- annual budget;
- investment, divestment, merger, acquisition and restructuring projects of significant value businesses;
- financing transactions;
- alliances /strategic partnerships entered into, the specific actions deriving therefrom and evolution of counterpart risks;
- issuance of prior opinions including in cases of urgency following the requests presented by the Executive Board of Directors;
- compliance of the assumed commitments regarding public safety;
- performance, risk assessment, value at risk and the respective management.

The Committee is further responsible for defining compliance procedures on the obligations assumed by EDP regarding the development of the business of companies wholly or majority held by and/or subsidiary of EDP Group in the United States of America with respect to the General and Supervisory Board activity.

On 31 December 2022, the United States of America Business Affairs Monitoring Committee was composed of the following members:

UNITED STATES OF AMERICA BUSINESS AFFAIRS MONITORING COMMITTEE		FIRST APPOINTMENT DATE
CHAIRMAN	JOÃO LUÍS RAMALHO DE CARVALHO TALONE	15/04/2021
	Esmeralda da Silva Santos Dourado	15/04/2021
	Felipe Fernández Fernández	16/03/2020
	Laurie Lee Fitch	15/04/2021
	Helena Sofia Silva Borges Salgado Fonseca Cerveira Pinto	15/04/2021

In 2022, the United States of America Business Affairs Monitoring Committee held six meetings, covering, among other matters, the monitoring of the Business Plan and action strategy of EDP Renováveis in the United States of America; the ongoing investment and divestment projects at EDPR in the United States of America ; monitoring of the EDP Group's financial information in the United States of America; the status of compliance mechanisms in the United States of America; monitoring EDPR North America's regulatory strategy and the evolution of renewables legislation in the United States of America; the company's sustainability strategy in the United States of America; business risk analysis in the United States of America; monitoring of EDPR North America's talent management and talent retention plan; monitoring the development of the EDP Renewables North America's pipeline and its alignment with the Business Plan's objectives; and monitoring of EDPR North America's 2023 Group Budget.

B. Other company bodies

Environment and Sustainability Board

The Environment Board was set up as a company body in 1991. Its name was changed to Environment and Sustainability Board by decision of the Annual General Meeting of 30 March 2006.

As a corporate body, the Environment and Sustainability Board has powers to advise the Executive Board of Directors on environment and sustainability matters. In particular, it provides advice and support in defining the Company's environmental and sustainability

strategy and drafting opinions and recommendations on the environmental impact of projects planned by the EDP Group (Article 28 (1) of EDP’s Articles of Association).

The members of the Environment and Sustainability Board, pursuant to Article 28 (2) of EDP’s Articles of Association, have acknowledged competence in the field of environmental protection and sustainability.

The members of the Environment and Sustainability Board elected for a three-year period, for the 2021-2023 triennium mandate at the General Shareholders’ Meeting held on 14 April 2021 was as follows:

ENVIRONMENTAL AND SUSTAINABILITY BOARD	
CHAIRMAN	JOSÉ MANUEL CARÉ BAPTISTA VIEGAS
	Joana Pinto Balsemão
	Joaquim Poças Martins
	Maria Mendiluce
	Pedro Manuel Sousa Mendes Oliveira

The Environment and Sustainability Board held two meetings in 2022.

Remuneration Committee of the General Meeting

The Remuneration Committee elected by the General Meeting is responsible for setting the remuneration of the members of the governing bodies, with the exception of the members of the Executive Board of Directors, in accordance with the proposed remuneration policy to be submitted for approval by the General Shareholders’ Meeting (paragraph d) of number 2 of article 11 of EDP’s Articles of Association).

Pursuant to this Article of the Articles of Association, the majority of the members of the Remuneration Committee of the General Meeting must be independent.

At the General Shareholders’ Meeting held on 14 April 2021, the members of the Remuneration Committee elected by the General Meeting were re-elected for the 2021-2023 triennium mandate, with the following composition:

REMUNERATION COMMITTEE OF THE GENERAL MEETING	
CHAIRMAN	LÚIS MIGUEL NOGUEIRA FREIRE CORTES MARTINS
	José Gonçalo Maury
	Jaime Amaral Anahory

In 2022, the Remuneration Committee of the General Shareholders’ Meeting held two meetings.

III. Supervision

A) Composition

30. The supervisory body

EDP’s two-tier model has made possible an effective separation between supervision and management of the Company. The General and Supervisory Board is the highest supervisory body.

31. Membership General and Supervisory Board and Financial matters committee – effective members and term of office

The General and Supervisory Board is currently composed of sixteen members and its composition is identified in Items 17 and 18 of this Report.

The duties of the Financial Matters Committee / Audit Committee are described in Item 29 of the Corporate Governance Report.

The Financial Matters Committee / Audit Committee is composed by three independent members with the appropriate qualifications and experience, including at least one member with a degree in the area of the committee’s duties and specific knowledge of auditing and accounting, as confirmed by the Curriculum Vitae of the Chairman, which, as previously stated, can be consulted in Annex I of this Report.

Under article 23 no. 3 of EDP’s Articles of Association, this Committee is presided by an independent member.

The Financial Matters Committee / Audit Committee currently has the following composition:

FINANCIAL MATTERS COMMITTEE / AUDIT COMMITTEE		FIRST APPOINTMENT DATE
CHAIRMAN	JOÃO CARLOS CARVALHO DAS NEVES	22/04/2015
	María del Carmen Ana Fernández Rozado	22/04/2015
	Helena Sofia da Silva Borges Salgado Fonseca Cerveira Pinto	15/04/2021

32. Independent members of the General and Supervisory Board and Financial Matters Committee

See Item 17 (General and Supervisory Board) and Item 31 (Financial Matters Committee/Audit Committee) of this Report.

33. Qualifications of members of the General and Supervisory Board and Financial Matters Committee

See Annex I of this Report.

B) Operation

34. Location at which the operating procedures of the General and Supervisory Board and Financial Matters Committee/Audit Committee can be viewed

The General and Supervisory Board and the Financial Matters Committee / Audit Committee's work is governed by its Internal Regulations, available at EDP's website: [Internal Regulation of the Financial Matters Committee / Audit Committee](#) and [General and Supervisory Board Internal Regulation](#).

35. Meetings and attendance rate of each member of the General and Supervisory Board Financial Matters Committee / Audit Committee

During 2022, the General and Supervisory Board and the Financial Matters Committee / Audit Committee held ten and sixteen meetings, respectively, and minutes of the respective meetings were drawn up. Information regarding the attendance of members of the General and Supervisory Board and of the aforementioned Committee is described in Annex V of this Report as well as in the Annual Report of the General and Supervisory Board.

36. Positions held in other companies within and outside the Group by each Financial Matters Committee / Audit Committee member

See Annex I of this Report.

C) Powers and Duties

37. Procedures and criteria governing the supervisory body's involvement in hiring additional services from the external auditor

The proposal for hiring additional services of the Statutory Auditor is presented by the Executive Board of Directors to the Financial Matters Committee / Audit Committee and any contracting requires the prior authorisation of that Committee.

Internal Regulation on the Provision of Services by the Statutory Auditor of EDP are in force, in this regard, and the implications on the hiring of additional services are described in Item 46.

There are other internal regulations adopted by the Executive Board of Directors that ensure all EDP Group companies comply with the rules contained in the referred Internal Regulation.

38. Other duties of the supervisory bodies and, if applicable, of the Financial Matters Committee/Audit Committee

The duties of the General and Supervisory Board are described in Item 21 as well as in the Annual General and Supervisory Board Report.

The duties of the Financial Matters Committee / Audit Committee pursuant to the Articles of Association and the Internal Regulation of the Financial Matters Committee / Audit Committee are described in Item 29 as well as in the Annual General and Supervisory Board Report.

IV. Statutory Auditor

39. The statutory auditor and the certified auditor representing it

At the General Shareholders' Meeting held on 14 April 2021, PricewaterhouseCoopers & Associados – Sociedade de Revisores de Contas, Lda., Sociedade Revisor Oficial de Contas number 183, represented by João Rui Fernandes Ramos (ROC no. 1333), was re-elected as

Statutory Auditor for the three-year period 2021–2023, and on the same date, Aurélio Adriano Rangel Amado (ROC no. 1074) was re-elected as Alternate of the Statutory Auditor, to perform duties during the aforementioned three-year period.

40. Number of years for which the statutory auditor has worked consecutively with the company and/or Group

The statutory auditor PricewaterhouseCoopers & Associados – Sociedade de Revisores de Contas, Lda. has worked with the Company since 5 April 2018.

41. Other services provided to the company by the statutory auditor

The Statutory Auditor is the company body responsible for the examination of the accounting documents. It is elected by the General Meeting for a three-year term, pursuant to Article 25 of EDP's Articles of Association and Article 446 of the Portuguese Company Code.

According to the Companies Code and the Company's Articles of Association, the Statutory Auditor is responsible for checking (see Article 446 (3) of the Company Code):

- the regularity of the Company's books, accounting records and their supporting documents
- the cash and all assets or securities belonging to the company or received by it as guarantees, deposits or for any other purpose, whenever and however it sees fit
- the accuracy of the accounting documents
- whether the company's accounting policies and valuation criteria result in an accurate assessment of its assets and results.

A description of the services provided by the Statutory Auditor can be found on Item 46.

V. External Auditor

42. The external auditor and certified auditor partner representing it

Since the General Shareholders' Meeting held on 5 April 2018, date of its respective election, is PriceWaterhouseCoopers & Associados – Sociedade de Revisores de Contas, Lda was appointed Statutory Auditor, being João Rui Fernandes Ramos the partner in charge of overseeing and performing audits of the EDP Group's accounts, and was reappointed for the 2021–2023 period, at the General Shareholders' Meeting held on 14 April 2021.

PricewaterhouseCoopers & Associados – Sociedade de Revisores de Contas, Lda is registered before the Portuguese Securities Commission under number 20161485.

The Statutory Auditor performs the necessary audit work to ensure the reliability of the financial reporting and credibility of the accounting documents.

The Statutory Auditor's duties include checking compliance with remuneration policies and systems, the efficacy of internal control mechanisms and reporting of any significant deficiencies to the General and Supervisory Board.

EDP takes measures specifically aimed at ensuring the independence of the Statutory Auditor, in view of the scope of services provided by audit firms.

43. Number of years for which the external auditor and certified auditor partner representing it have worked consecutively with the company and/or group

EDP's Statutory Auditor is as from its election on 5 April 2018, PricewaterhouseCoopers & Associados – Sociedade de Revisores de Contas, Lda, having been appointed João Rui

Fernandes Ramos as the partner in charge on such date having re-election occurring at the General Shareholders' Meeting of 14 April 2021.

44. Policy on and frequency of rotation of external auditor and certified auditor partner representing it

The rotation of the Statutory Auditor and certified auditor partner representing it depends on the strict assessment by the Financial Matters Committee / Audit Committee of the independence and quality of the work done and consideration of the independence of the Statutory Auditor and the advantages and costs of replacing them.

Considering the rules referring to the mandatory rotation of the Statutory Auditor, pursuant to Article 54 (3)(4) of the By-Laws of the Association of the Statutory Auditors, and the fact that the mandate of KPMG has terminated on 31 December 2017, such rotation was fulfilled for the service provision of Statutory Auditor and Statutory Auditor for the triennium of 2018–2020.

In this sense, and under a Financial Matters Committee / Audit Committee proposal, the General and Supervisory Board resolved to launch a consultation process in order to select the Statutory Auditor of EDP Group for the 2018–2020 mandate, as well as to create two specific Committees to develop the consultation process, specifically, (i) Monitoring and Analysis Committee, with the purpose of monitoring the tender process and analysing the proposals, as well as to prepare a summary of the respective conclusions, to report to the Assessment Committee and (ii) Assessment Committee, with the aim of assessing the results presented by the Monitoring and Analysis Committee and preparing a proposal to the Financial Matters Committee / Audit Committee.

From the work performed and from the assessment conducted to the presented proposals, both accomplished with autonomy and without third parties influence, two proposals were selected in accordance with the selection criteria identified in the consultancy program which were presented to the Annual Shareholders General Meeting, which took place on 5 April 2018, having been elected PricewaterhouseCoopers & Associados – Sociedade de Revisores de Contas, Lda as statutory audit for the 2018–2020 triennium.

To the extent that PricewaterhouseCoopers & Associados – Sociedade de Revisores de Contas, Lda. was elected for the mandate corresponding to the 2018–2020 term, in the second half of 2020, the General and Supervisory Board and the Financial Matters Committee / Audit Committee started preparing the process for the presentation, at the 2021 Annual General Shareholders' Meeting, of a proposal for the re-election of the EDP statutory auditor for the 2021–2023 triennium.

Such work was carried out by the Financial Matters Committee / Audit Committee, under the delegation granted by the General and Supervisory Board. This work is concluded, and considering that, according to paragraphs 3 and 4 of article 54 of the Statute of the Order of Statutory Auditors, in publicly traded entities the maximum period of exercise of statutory audit functions by the statutory auditor accounts is for two or three terms, depending on whether they are, respectively, four or three years, the referred Committee submitted to the supervisory body the presentation, to the EDP 2021 Annual General Meeting, of a proposal for the renewal of PricewaterHouseCoopers & Associados – Sociedade de Revisores de Contas, Lda to the position of EDP's statutory auditor for the term corresponding to the 2021–2023 triennium.

The General and Supervisory Board approved the proposal for the reappointment of PriceWaterhouseCoopers & Associados – Sociedade de Revisores de Contas, Lda to the position of Statutory Auditor at EDP for the 2021–2023 period at the meeting held on 26 November 2020 which was submitted by the General and Supervisory Board and approved at the General Shareholders' Meeting held on 14 April 2021.

45. Body responsible for assessing the external auditor and frequency of assessment

The Financial Matters Committee / Audit Committee presents annually to the General and Supervisory Board the report on the assessment of the activity and independence of the EDP's Statutory Auditor. The result of the appreciation is published in the report of the General and Supervisory Board.

46. Non-Audit Services done by the external auditor for the company and/or subsidiaries and internal procedures for approving hiring of these services and reasons for hiring them

Proposals to hire non-audit services from the Statutory Auditor are presented by the Executive Board of Directors to the Financial Matters Committee / Audit Committee and their hiring requires prior authorisation from this Committee.

The Regulation on Services Provided by EDP's Statutory Auditor and Statutory Auditor determines, regarding the contracting of non-audit services, that the Financial Matters Committee / Audit Committee may deny authorisation of those services if one such service is prohibited and/or involves a possible threat to the independence of the Statutory Auditor. The above-mentioned regulations are available on the EDP's website: [Regulations on Provision of Services by Statutory Auditor/Statutory Auditor Company | edp.com](#)

In 2022, the following services were performed by the Statutory Auditor:

Audit services and statutory audit:

- necessary services (including internal control procedures required as part of audits) for the issue of the Auditor's annual on the accounts
- services required for compliance with local legislation (including internal control procedures required as part of audits) for the issue of the Statutory Auditor's Report.

Other assurance of reliability services:

Services with a specific or limited purpose or scope, namely:

- necessary services for the issue of the interim reports and quarterly information on the accounts
- audit services (pre-assurance) related to the accounting impacts of several transactions documented in technical documents prepared by EDP;
- verification of the information which supports the reserves and retained earnings, prepared by EDP, related to the amounts available to be distributed as dividends to the shareholder in accordance with the local legislation;
- assurance of reliability on the Internal Control System on Financial Reporting
- assurance of reliability on the Sustainability information
- assurance of reliability on annual financial information of regulated activities
- agreed upon procedures on the financial information prepared by EDP for application purposes;
- comfort letters issuance
- opinion over mergers under the terms of Portuguese Companies Code.
- Audit reports related to reductions of share capital under the Code of Commercial Companies.

Other services:

Support on the file generation of the Country-by-Country reporting (CbCr) from 2021 and 2022, in XML, according to the current legislation

The reasons for hiring these services were essentially related with (i) better understanding of the Group's business, ensuring appropriate knowledge of the relevant information, which promotes greater agility and efficiency in providing solutions and (ii) it was considered that the hiring of such services was not considered a threat to the independence of the Statutory Auditor and did not foster any situation of personal interest in relation to the guarantee of independence given by the Statutory Auditor.

In 2022, the recognised, specialised costs of the fees of PwC and KPMG for audit and statutory audit of accounts, other assurance of reliability services and other services than auditing for Portugal, Spain, Brazil, United States of America, and other countries were as follows:

PwC

EUROS	PORTUGAL		SPAIN		BRAZIL		USA		OTHER COUNTRIES		TOTAL	
Audit and statutory audit of accounts	2,607,796		1,359,251		299,566		1,691,149		2,131,692		8,089,454	79%
Other assurance of reliability services (*)	1,776,591		334,590		37,533		-		33,129		2,181,843	21%
Total of audit and assurance of reliability services	4,384,387		1,693,841		337,099		1,691,149		2,164,821		10,271,297	
Tax consultancy services	-		-		-		-		-		-	
Other services	15,013		-		-		-		-		15,013	-%
Total of other services	15,013		-		-		-		-		15,013	
Total	4,399,400	43%	1,693,841	16%	337,099	3%	1,691,149	16%	2,164,821	21%	10,286,310	100%

(*) Includes assurance of reliability services of the exclusive competence and responsibility of the Statutory Auditor and Statutory Auditor in accordance with the Regulations on Provision of Services by Statutory Auditor or Statutory Auditing Company approved by the General and Supervisory Board.

The audit and statutory audit of accounts in Portugal include 1,783,602 Euro related with statutory audit fees, on a company and in consolidated basis, of EDP – Energias de Portugal, S.A.

The services that are not related with Audit and statutory audit of accounts requested by Group entities to the Statutory Auditor and to other entities belonging to the same network, in the different geographies, amounted to 2,245,488 Euro.

47. Annual remuneration paid by the company and/or subsidiary or group companies to the auditor and other natural or legal persons belonging to the same network and breakdown of percentage for the following services:

PricewaterhouseCoopers – Sociedade de Revisores Oficiais de Contas, Lda. and its network (PwC) are responsible for conducting an independent External Audit of all the EDP Group companies in Portugal, Spain, Brazil (only in EDP Renováveis) and USA, as well as in other countries in which the Group operates. In the subgroup of EDP Brasil independent external auditing is conducted by KPMG Auditores Independentes Ltda (KPMG).

Services other than Audit and Legal Review of Accounts requested by Group companies from the External Auditor and other entities belonging to the same network, amounted to 2,245,488 Euros.

KPMG

EUROS	BRAZIL	TOTAL		
Audit and statutory audit of accounts	550,583	550,583	92%	
Other assurance of reliability services	48,632	48,632	8%	
Total of audit and assurance of reliability services	599,215	599,215		
Tax consultancy services	-	-	-	
Other additional services	-	-	-	
Total of other services	-	-	-%	
Total	599,215	100%	599,215	100%

C. Internal Organisation

I. Articles of Association

48. Rules on amendments to the company's Articles of Association

EDP's Articles of Association do not set forth special rules on their amendment and the general rule set out in 3 Article 386 (3) of the Companies Code therefore applies, i.e., decisions to amend the Articles of Association must be approved at a General Meeting by two-thirds of the votes cast.

EDP's Articles of Association may also be amended under the powers of the Executive Board of Directors to move EDP's registered office (Article 2 (1) of EDP's Articles of Association) and increase EDP's share capital (Article 4 (3) and (4) of EDP's Articles of Association) provided that a favourable prior opinion of the General and Supervisory Board is

obtained (article 17 (2) paragraph g) of EDP's Articles of Association).

II. Whistleblowing

49. Whistleblowing policy and channels

The EDP Group has long pursued a policy of trust and transparency regarding the way it develops its activity and relates to all its stakeholders, making its options clear in this matter, both through the Code of Ethics, created in 2005, and through the Integrity Policy, which define the company's principles and commitments in this area. This policy of trust and transparency naturally includes channels for reporting alleged unethical and/or illegal behaviour, which all stakeholders can use when they consider that the company's ethical and integrity principles may be at risk.

In 2022, following the entry into force of Law no. 93/2021, of December 20, which transposed Directive (EU) 2019/1937 of the European Parliament and of the Council, of October 23, 2019, on the protection of persons who report violations of European Union law, and which established the legal obligation to define and implement a reporting channel for any legal person that has 50 or more employees, or who carry out certain activities provided for in the aforementioned Directive, EDP reviewed and updated the channels previously made available, its complaint management process, the procedures resulting from it and the technological support for the reporting channels. In compliance with the new legislation, specific reporting channels were also created (hereinafter "Speak Up" Channels) for each obliged EDP Group company. In this context, the previously existing EDP Ethics channels and the channel for communication of irregularities to the Financial Matters Committee / Audit Committee (FMC/AUDC) of the General and Supervisory Board, were consolidated in the new EDP "Speak up" channel. In the period in which the

mentioned FMC/AUDC channel was still active, until June 2022, a complaint was received, and, from the respective analysis, it was concluded that there was no confirmation of any irregularity. In 2022, the analysis of a complaint carried over from 2021 was also completed, also without confirmation of irregularities.

The entire complaint management process follows, at each stage, essential guiding principles such as independence, impartiality and objectivity in the analysis and treatment of registered cases, along with the guarantee of absolute confidentiality. Complaints can also be reported anonymously, being guaranteed, notwithstanding this condition, the possibility of interaction with the whistleblower, as deemed necessary.

EDP ensures the protection and non-discrimination of whistle-blowers who make their communications or complaints, in good faith and in a well-founded manner, even if the facts reported are not precise or do not give rise to any disciplinary or judicial proceedings. Any acts of reprimand or retaliation, directly or indirectly motivated by a complaint, causing any damage to the complainants, are not accepted.

EDP provides access to the [Speak Up channels, through its website](#), as well as to the respective Whistleblowing Management Regulation, that can be read at: [Whistleblowing Management Regulation Speak Up | edp.com](#)

III. Internal Control and Risk Management

50. People, bodies, or committees responsible for internal audits or implementation of internal control systems

The EDP Group's Compliance Management System, aligned with the risk management model, is founded on an internal control system based on the "three lines of defence", in order to properly identify and manage the risks arising from the activity, under the terms of which:

- The First line of defence (Business): has, among others, the responsibility for the daily and proactive management of compliance risks, in line with the established regulations. The top management of each functional, business or support unit and all its employees are part of it.
- The Second line of defence (Compliance): it has, among others, the responsibility of ensuring business support in the identification, analysis, evaluation, mitigation, and monitoring of risk, as well as challenging and questioning the potential risks that may arise. The main responsible are the Compliance & Internal Control – Corporate Global Unit, supported by the Compliance Departments of EDP España, EDP Energias do Brasil and EDP Renováveis, and a network of Compliance Partners, Compliance Business Partners and the Local SCIRF (Internal Control over Financial Reporting System) Managers.
- The Third line of defence (Internal Audit): it has, among others, the responsibility for carrying out independent audits to the Compliance Management System. These audits may also be carried out by independent external entities with recognized capacity for that purpose.

As defined, this model allows the rationalization of resources and efforts, promotes coordination between functions and the homogenization of language connecting all Business Units / Departments through a common infrastructure, sharing the same information systems and processes, and promoting the effective implementation of compliance mechanisms at the different levels of the organization.

The compliance function's mission is therefore to promote a culture of compliance and integrity, by identifying relevant compliance risks and by disseminating and coordinating the implementation of mechanisms that promote compliance, providing proactive and systematic advice to the entire organization.

The Compliance & Internal Control's activity is essentially based on four pillars, namely:

- identification analysis and assessment of compliance risks;
- promotion and coordination of the implementation of policies, procedures, and other control mechanisms, in order to mitigate the identified compliance risks;
- monitoring of procedures and other compliance mechanisms adopted, in order to assess the maintenance of their adequacy and effectiveness;
- periodic reporting to the Executive Board of Directors and the Financial Matters Committee / Audit Committee of the most relevant topics that may represent a significant risk for the Group.

The Compliance & Internal Control also has as main responsibilities to contribute to the improvement of risk management processes associated, in an external plan, with legal and regulatory compliance and, in an internal plan, with compliance with the internal regulations and procedures in force, also ensuring the implementation of the Internal Control over for Financial Reporting System (SCIRF).

In the performance of its duties, the Compliance & Internal Control reports hierarchically to the Executive Board of Directors and functionally to the General and Supervisory Board, through its Financial Matters Committee / Audit Committee.

For its part, the Executive Board of Directors establishes a culture of tone at the top in Compliance matters, approving, disseminating, and ensuring the implementation of EDP's Compliance Management System in line with the Group's strategic objectives.

The General and Supervisory Board, through the Financial Matters Committee / Audit Committee, monitors and supervises the implementation of the referred compliance culture and approves the business plan of the Compliance & Internal Control's activity plan, also ensuring the follow-up of the respective execution.

The Group's Compliance Management System, approved by the Executive Board of Directors and by the Financial Matters Committee / Audit Committee, is formalized through EDP's Compliance Standard, updated in 2022, and is aligned with best international practices, namely with the references of ISO 37301:2021 Compliance Management Systems – Requirements with guidance for use – having EDP obtained the respective certification issued by an external independent entity – and with the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework for risk management, internal control and fraud prevention (Fraud Risk Management). This system demonstrates the EDP group's commitment to ensure (i) an adequate identification, assessment, and management of compliance risks, in order to minimize the risk of sanctions, namely financial and possible operational and reputational impacts, and (ii) the confidence of its stakeholders, reinforcing the competitiveness of the EDP Group.

The Compliance Management System allows for the harmonization of guidelines and methodologies for compliance management, across the organization and different regulatory scopes, ensuring alignment with other internal policies and procedures, seeking the continuous improvement of the activities developed. Through the work developed over the years, EDP Group's Compliance Management System currently has different mechanisms, such as specific policies and procedures, whistleblowing channels, periodic training / awareness initiatives and monitoring instruments that enable the identification of situations to analyze in a logic of continuous improvement, responding to internal and external challenges.

This system is developed at corporate level and covers all activities, businesses, and geographies, defining the organization and functioning model of the Compliance Function

and identifying the most relevant specific regulatory scopes, for which the development of a Specific Compliance Program is foreseen.

EDP Group adopted a model for structuring its Compliance Management System, based essentially on nine components, which can be classified into three action levels.

COMPLIANCE MANAGEMENT SYSTEM	
Design	
1. Governance model	
2. Risk assessment and management	
3. Policies, Standards and Procedures	
4. Training and Awareness / Communication	
Implementation	
5. Whistleblowing channels and incident management	
6. Monitoring and testing (internal and external audit)	
7. Report	
Assessment	
8. Implementation of improvement opportunities	
9. Continuous improvement / risk reassessment	

Based on the defined governance model, the EDP Group's Compliance Management System develops from a risk assessment, which is reviewed periodically or whenever there are material changes in the legal and regulatory context or in the organizational context, and that allows the identification of the compliance obligations or of the most relevant normative scopes for the organization, resulting in the structuring and development of Specific Compliance Programs, through a process that goes through different sequential phases: (i) planning, (ii) conceptual structuring and design, (iii) support for implementation; (iv) monitoring of implementation and (v) ongoing maintenance and continuous improvement.

The identification of these most relevant topics is carried out based on the identification and assessment of the legal and other compliance obligations applicable to the activities carried out by the Group, whose analysis is organized into normative blocks (corporate governance,

energy sector, reporting, environment, health, and safety; information security, among others), resulting in the development of Specific Compliance Programs.

At the Specific Compliance Program level, and as a function of specific risks identification and assessment, policies, procedures, and other compliance mechanisms are developed, through which the fundamental principles in compliance management are formalized and detailed control rules and mechanisms implemented, reflecting on the activities developed internally or by third parties on behalf of EDP, and which are key elements for the dissemination of a culture of compliance across the Group.

Another fundamental element for the development of Specific Compliance Programs is the training and awareness actions carried out both at the transversal group level and at a specific to certain Business Units or regulatory scope level.

The compliance function ensures the follow-up and monitoring of the development, operation, and implementation of Specific Compliance Programs. For its part, and in accordance with the respective annual activity plan, the Audit function conducts specific audit work, addressing compliance topics. In addition, the Compliance Management System and some Specific compliance programs are also subject to independent external review.

The results of the monitoring and any recommendations issued by internal and / or external auditing are considered for the purpose of improving compliance management, in a perspective of continuous improvement.

The compliance function reports the activities carried out to the Executive Board of Directors and to General and

Supervisory Board, through its Financial Matters Committee / Audit Committee.

Without prejudice to other mechanisms previously developed, since the definition of the methodological approach to compliance management in the EDP Group, it was possible to structure the different relevant compliance topics at the corporate and local level, being this work reflected in the evolution of the different Specific Compliance Programs, with emphasis among others on the following scopes:

- *Integrity / Corruption Prevention.* The systematization of this Specific Compliance Program had as fundamental element the definition of an Integrity Policy in which the commitments, general principles of action and the duties of the entities of the Group, its employees and business partners were defined, with regard to prevention illicit acts, complementing the set of norms and compliance mechanisms that already exist both at the corporate level (namely the Code of Conduct for Suppliers, the Code of Conduct for Senior Management and Senior Financial Officers, Transaction with Related Parties Policy and the Social Investment Policy, in addition to the EDP Group's own Code of Ethics and the irregularity communication channels made available), as in the different companies of the group, namely the models of prevention and control of criminal liability in EDP Spain and EDP Renováveis and EDP's corruption prevention Compliance program in Brazil (which in turn include a significant set of specific compliance policies and procedures). The EDP Group's Integrity Policy, periodically reviewed (last revision in 2022), is disclosed to all employees (as a mandatory reading document, with record of the respective acknowledgment) and [available at EDP's website](#) reinforces the zero tolerance policy regarding the adoption of practices that could be

perceived as acts of corruption or bribery, clarifies the ban on facilitation payments and details the principles related to the prevention of conflicts of interest, donations and sponsorships, contributions to political parties and prevention of money laundering and combating the financing of terrorism, as well as guidelines regarding the performance of third party integrity due diligences, the relationship with politically exposed persons (PPE), the acceptance and assignment of offers and invitations to events and the monitoring of international sanctions. Within the scope of the reporting of irregularities, the principle of non-retaliation is maintained, the different channels available internally and externally and the process of investigating potential situations of non-compliance and the identification and implementation of possible corrective actions are addressed. These principles and guidelines were implemented in specific internal procedures developed within the scope of the Integrity Specific Compliance Program. In 2022, in terms of continuous improvement the following initiatives stand out: (i) the formalization and public disclosure of the Plan for the Prevention of Corruption Risks (covering the companies of the EDP Group in Portugal that are obliged to do so) following the entry into force of the General Regime for the Prevention of Corruption; (ii) reviewing/improving risk analysis methodologies and different internal normatives on Integrity, taking into account changes in context and continuous adherence to best practices and (iii) strengthening the culture of Compliance and Integrity, through the development of training and awareness actions at a global level. The Specific Integrity Compliance Program obtained certification in accordance with the requirements of Standard ISO 37001:2016 – Antibribery management systems – Requirements with guidance for use, both at EDP level

and at the level of its subsidiaries EDP Spain, EDP Renováveis and EDP Energias do Brasil, certifications issued by independent entities.

- *Prevention of Money Laundering and Terrorism Financing.* As part of the structuring of the Specific Compliance Program for the Prevention of Money Laundering and Combating Terrorism Financing, specific internal regulations and a transversal procedure related to the reporting of suspicious transactions were implemented by the obliged entities and a specific channel is also available for the presentation of complaints in this area, covering the different companies covered by the legal requirements. The obliged companies also proceeded to designate a Responsible for Normative Compliance, according to the legal requirements, whose activity is articulated with the governance model defined in the scope of this compliance program. Throughout 2022, compliance with the applicable legal requirements was ensured, with emphasis on compliance with identification and diligence duties of counterparties with business relationships and/or occasional transactions with EDP group entities subject to the legal regime for the prevention of money laundering.
- *Protection of Personal Data.* This program aims to ensure that EDP Group entities comply with the applicable legal requirements in terms of Data Protection, being supported by a specific governance model, which includes the coordination of the Compliance & Internal Control Global Unit, specific teams with the responsibility for promoting the dissemination, knowledge, training and implementation of the Compliance program in the respective areas of activity and with the Internal Audit in the 3rd line of defense and also and whenever this legal obligation exists, with the figure of the Data Protection Officer. In this context, EDP implemented a Personal Data Protection Policy, available at the EDP website : [EDP's](#)

[Personal Data Protection Policy | edp.com](#), with generalized application across all the Group's Business Units, which reinforces the commitments and positioning assumed by EDP in terms of privacy and protection of personal data and defines the principles of action to ensure compliance. This policy thus embodies the company's values and principles, which are also reflected in the different cross-cutting regulations that make up this Compliance Program, which are complemented by specific procedures and control mechanisms defined at the business areas level, in accordance with the respective exposure to Personal Data Protection risks, namely, in its operations, by various privacy policies that govern the processing of data carried out by the different Business Units. Within the scope of the communication and training plans defined annually at the level of each geography, different specific initiatives were carried out and targeted according to the exposure of employees to the risks associated with the processing of personal data. In 2022, in terms of continuous improvement, the following initiatives stand out: (i) the review and update of the Compliance Program Governance Model, with the aim of systematizing and clarifying the main areas of intervention, adjusting some functions and responsibilities; (ii) the process of revising internal Personal Data Protection regulations, with a view to their updating, better systematization and clarification and streamlining of procedures; (iii) carrying out training and awareness actions at a global level and (iv) identifying and implementing improvements to the Personal Data Protection Program Management support tool.

- *Competition.* The Specific Competition Compliance Program aims to reinforce the guarantee of compliance by the EDP Group companies, in Portugal, with the legal requirements in terms of competition, namely regarding contracts signed and the performance of its employees in accordance with the highest standards of ethics and

integrity, contributing to the sustainability and development of the markets in which EDP operates. A similar approach to preventing and mitigating practices that potentially restrict competition is being implemented for the rest of the geographies, without prejudice to the codes and manuals already applied. This Specific Competition Compliance Program is, like the others, subject to a continuous improvement scrutiny, having been monitored throughout 2022, with the corresponding review of implemented procedures and control mechanisms.

- *Prevention of Criminal Legal Risks.* The Criminal Legal Risk Prevention Program was implemented in a first phase in companies in Spain (also including a specific program at EDP Renováveis), following different reforms of the criminal law in this country, which introduced and deepened the concept of criminal liability of legal entities with respect to certain crimes, also defining the requirements to be considered when implementing compliance models. The Compliance programs implemented under this scope at EDP, meanwhile extended to other geographies with similar legal frameworks, provide the organization with a management system that includes supervision and control measures to prevent the occurrence of crimes or mitigate the risk of their occurrence, highlighting the issues of prevention of corruption, bribery and other similar offenses (which allows the capture of synergies with other Compliance programs with a transversal scope at the EDP Group level, such as the Integrity Compliance Program). EDP Spain and EDP Renováveis' Criminal Legal Risk Prevention programs are certified in accordance with the UNE Standard 19601:2017 – Criminal Compliance Management Systems, certifications awarded by independent entities.

From the established governance model, and with the objective of identifying, assessing, monitoring, and

controlling the risks to which the EDP Group is exposed, in addition to the Compliance & Internal Control, the Risk and the Internal Audit – Corporate Global Units also play an important role.

The Risk – Corporate Global Unit is primarily responsible for coordinating risk assessment studies for the Group, with the aim of supporting the Executive Board of Directors in their control and mitigation and providing integrated risk-return analyses, as presented the respective chapter, which activity is detailed in items 52 to 54 of this Annual Report.

In turn, internal audit, formalised in the EDP Group's Basic Internal Audit Standard, revised in 2021, is an objective and independent activity, of guarantee and advisory, aimed at adding value and improving operations of EDP Group, assisting the organization in pursuing its objectives, through a systematic and disciplined approach in assessing and improving the effectiveness of risk management, control, and governance procedures.

The internal audit function has the mission of increasing and protecting the value of EDP, providing assurance, advisory and insight, covering several fields of action.

The EDP Group's internal audit is a corporate function performed by the Internal Audit – Corporate Global Unit, which has a double dependency, on the one hand administrative structure of the Executive Board of Directors and, on the other, functional of the General and Supervisory Board, to which reports the respective exercise.

The EDP Group's Internal Audit are present in Portugal, Spain, the United States of America, and Brazil, depending functionally on Internal Audit.

In addition to conducting operational and regulatory audits to Business Units in Portugal and auditing information systems

at the Iberian level, Internal Audit's main duties are to propose audit policies and objectives, in accordance with the law and with the best international practices, ensuring the harmonization of internal audit methods, processes and manuals and with a view to implementing the respective support tools, establishing and managing the systematic planning of internal audits at the Group level.

Regarding the areas that make up the Internal Audit, although each area has (operational and regulatory audits and information systems audits) its specific duties, multidisciplinary and the growing interaction between the operational audit and information systems audit teams (with an Iberian scope) have allowed synergies in the analysis of information and data extracted from computer systems to support business processes and, therefore, a better quality of the conclusions obtained, a closer proximity to the business and an increasing monitoring of the degree of evolution of the projects most relevant.

On the other hand, Internal Audit's commitment to quality and the continuous improvement of the processes and activities it carries out led to the creation of the Quality and Continuous Improvement Office at Internal Audit, which, in a fundamentally methodological aspect, ensures an internal service with a view to increasing value added in relation to the internal audit activity in the EDP Group.

The Internal Audit Departments, as well as all professionals assigned to this function, govern their performance by the Fundamental Principles for the Practice of Internal Auditing, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing approved by The Institute of Internal Auditors (IIA).

EDP Group has internal auditors experienced in several areas (e.g., finance, accounting, legal, information systems), with a deep knowledge of the Group, allowing a multipurpose and

transversal analysis of the issues in question and of the activities carried out. In addition to specific training and experience in the area, the employees assigned to the information systems audit area know the systems implemented in the Group and follow market trends, allowing them to obtain a broad view of the systems and processes with the greatest technological risk. and of greater relevance for the different Business Units.

The internal audit activities are developed based on plans aligned with the objectives and mission of the function, in which the audit works that comprise them have as main inputs the consultation with the government bodies and the alignment with the Group's Strategic Plan and with the sustainability objectives, the prioritization of processes based on the risk analysis carried out by Internal Audit, the interactions with the statutory auditor throughout the year and the consideration of topics of interest that it has identified in the scope of the SCIRF audit and the financial audit, international trends and best practices in matters of internal audit, and the identification and assessment of the control environment existing in the various lines of defence that affect each process, in a perspective of Combined Assurance.

Internal Audit's lines of activity are the analysis of the effectiveness and efficiency of operations, reliability, and integrity of information, both financial and operational, compliance with internal procedures and standards, compliance with external standards, auditing of information systems and integrity of assets.

The changing macroeconomic, social, and political context, as well as the growing technological transformations and the news and changes that have been affecting the energy sector in general and the EDP Group in particular have forced a constant adaptation of the internal audit activity in order to maintain an ability to respond adequately to the challenges

ahead, aiming to maximize the added value that this activity can and should offer to its stakeholders.

Internal Audit has been monitoring the extent and development of the Group's activity in new markets, business lines and geographies, incorporating in its business plan, actions aimed at evaluating and reinforcing the existing internal control environment.

The continuous auditing model has evolved consistently, consolidating the methodology, continuing existing audits, implementing new audits to evaluate different business areas, some with real-time analysis, with a set of new indicators and automation of communication exceptions to the audited entity at the time they are detected. It is a robust monitoring and evaluation model, very relevant for the automatic processing of a high volume of data, allowing to obtain efficiency gains in terms of internal control and in the prevention and detection of irregularities.

Within the scope of information systems audits, actions have been carried out covering several areas of high criticality, considering, in particular, the digitization program underway at the EDP Group, which has been a lever for strengthening and growing business processes, the increase in processes / activities analysed by continuous auditing and the expansion of routine automation in order to speed up the monitoring of the Group's information systems.

In recent years, the existing competencies in the field of information systems and data analytics have been strengthened by recruiting employees who are specialists in these matters in an internal audit perspective, complementing the profiles already existing in the information systems and operational audit teams.

The relationship with the various stakeholders is developed, mainly, through periodic meetings with the Financial Matters

Committee / Audit Committee and the members of the Executive Board of Directors, interactions with the Business Units, both at the level of the Boards of Directors and with those in charge of the audited areas, interactions with other areas of the Group, such as risk, sustainability, legal advice, human resources, regulation, strategy, management control, compliance, information systems, in order to identify risk areas and to ensure the update on the various matters of the organization.

Internal Audit carries out, annually, a process of self-assessment of the Group's internal audit activity, which consists of a reflection and analysis on the structure, composition, skills, relationship, reports, methodologies, DAI procedures and work carried out throughout the year, among others, and includes a global conclusion expressed by the responsible person of Internal Audit's activity in line with the best practices of the function.

On the other hand, Internal Audit's activity and performance is evaluated annually by the Financial Matters Committee / Audit Committee based, among others, on the analysis of the interaction that the Commission develops throughout the year with DAI and on the analysis of information and documentation made available by it regarding the process of its self-assessment.

Internal Audit's activity has been subject to external evaluations since 2010 by the IIA (every 5 years, as established in the International Standards for the Professional Practice of Internal Auditing) and, since that date, the opinion of the evaluation teams has been that the internal audit activity "Generally Complies" with the International Standards for the Professional Practice of Internal Auditing and the IIA Code of Ethics, this qualification being the highest granted by the IIA.

The last external evaluation took place in 2020, in all locations where the internal audit function is developed, with the aim of obtaining joint independent certification, with the opinion issued in the external evaluation reports being that the internal audit activity "generally complies" with the Standards and Code of Ethics issued by the IIA in all locations (Portugal, Spain, United States and Brazil), in all its aspects (government, personnel, management and procedures).

It is also worth mentioning, and in line with the information described above, the competence of the General and Supervisory Board, which, under legal terms, permanently monitors and evaluates the internal procedures related to accounting and auditing matters, as well as the effectiveness of the risk, the internal control and the compliance management system. This competence is attributed to the Financial Matters Committee / Audit Committee, which is responsible, among other tasks, for permanently monitoring and supervising: (i) financial matters and accounting practices; (ii) internal audit practices and procedures; (iii) the internal mechanisms and procedures of the Internal Control over Financial Reporting System (SCIRF); (iv) matters relating to the risk management and control system; (v) the activities and mechanisms of the compliance management system and (vi) the activity and independence of the company's Statutory Auditor.

51. Description of hierarchical and/or functional dependency on other company bodies or committees

In the performance of their duties, the Internal Audit administratively reports to the Executive Board of Directors and functionally reports to the General and Supervisory Board that supervises its activity through the Financial Matters Committee / Audit Committee. On the other hand, the Compliance & Internal Control reports hierarchically to the Executive Board of Directors, and functionally to the

Financial Matters Committee / Audit Committee of the General and Supervisory Board.

The Risk Department reports hierarchically to the Executive Board of Directors, without prejudice to the permanent monitoring, by the Financial Matters Committee/Audit Committee, of risk-related matters, as described in item 52 below.

52. Other company areas with risk control duties

The risk management is an integral part of the common practices of business management, and it is the responsibility of all, from the Executive Board of Directors right down to the individual staff member. Each one is responsible for knowing the risks existing in their area of intervention and for managing them in accordance with their role, expertise, and delegated responsibilities.

The EDP Group manages its meaningful risks in a portfolio approach, optimizing the risk/ return trade-off transversely across its business areas, aiming to create value and to stand out in the markets where it operates. The EDP Group also works towards a permanent progress of its risk management processes in order to reflect the evolution of its needs and to maintain its alignment with international risk management best practices.

The integration of risk management in the most relevant business and decision-making processes is promoted as part of i) strategic development, ii) investment decisions, iii) business plan and iv) operations management, with the purpose of ensuring stability in results and optimize its response to changes in context and opportunities.

The risk management process is structured around 3 lines of defence (business operation, risk management/ compliance and internal and external auditing), each led independently

and ensuring an adequate level of segregation relative to one another. The functions of risk identification, analysis, evaluation, treatment, and monitoring are followed by a set of bodies with clearly established roles and responsibilities, typified by Group policies that are approved and ratified by the competent bodies of the Group:

- The **General and Supervisory Board**, in particular the Financial Matters Committee/ Audit Committee, is responsible for permanently monitoring the effectiveness of the risk management system, namely in terms of risk identification, assessment, control and management and assessing the degree of internal compliance with the Company's risk management system, continuously monitoring its performance and effectiveness, in articulation with the Executive Board of Directors, namely the risk control policies, the identification of key risk indicators (KRI) and the integrated risk evaluation methodologies, and must evaluate and issue its opinion on the EDP Group's strategic guidelines and corporate risk management policy, prior to their final approval by the Executive Board of Directors.

The **Executive Board of Directors** is ultimately responsible for the decision, supervision and control of risk management, and is responsible for setting the EDP Group's management objectives and policies. In addition to sharing the responsibilities defined for the Boards of Directors, it is also responsible for defining the Risk Appetite set out in the Business Plan, defining the EDP Group's risk policies (in particular, the respective exposure limits by risk category) and for allocating resources in accordance with the risk-return profile of the various options available.

- **Risk – Corporate Global Unit** headed by the Chief Risk Officer, performs a function that is independent from the conduct of business, and supports the Executive Board of Directors at the level of the second line of

defence. Its mission is to promote an integrated vision of the EDP Group's risk, ensuring the alignment of risk policies and limits with the appetite defined for the Group, and coordinating risk-return studies at Group level, in order to support the EBD in monitoring and mitigating the main risks. Its main responsibilities are to (i) define concepts, methods, risk measures and key risk indicators (KRI), in accordance with best practices and promoting an integrated and harmonized view of risk in the Group, (ii) update the Corporate Risk Management Policy and Manual, (iii) maintain and update the taxonomy of the Group's most significant risks and promote its implementation in the various Business Units and Corporate Global Units (iv) the promotion and monitoring of the Risk Appetite framework, ensuring consistency with strategy, and monitoring and reporting of conclusions and possible non-compliance to the EBD, (v) the identification and reporting of needs to define new policies, limits or adjustment to the exposure limits already established by the EBD, (vi) the development, jointly with the Business units and Platforms risk-officers, of significant risk assessment projects and risk-return analyses, (vii) the quantification and qualification of the materiality of BU or platform risks, (viii) the interlocution and adequate information flow to and from the local risk-officers, decision making bodies and other relevant stakeholders on all relevant risk related matters, (ix) the promotion of the monitoring process of the main risks (recurrent and structural monitoring) and reporting to the EBD on the evolution of their level of exposure and contrast with established limits, and finally (x) the promotion of a Group-wide risk management culture.

- The **risk-owners of the Business Units and Corporate Global Units** are all the business managers who assume risk in their day-to-day activities and act in accordance with the defined risk strategies. From a risk perspective, they should coordinate their activities with

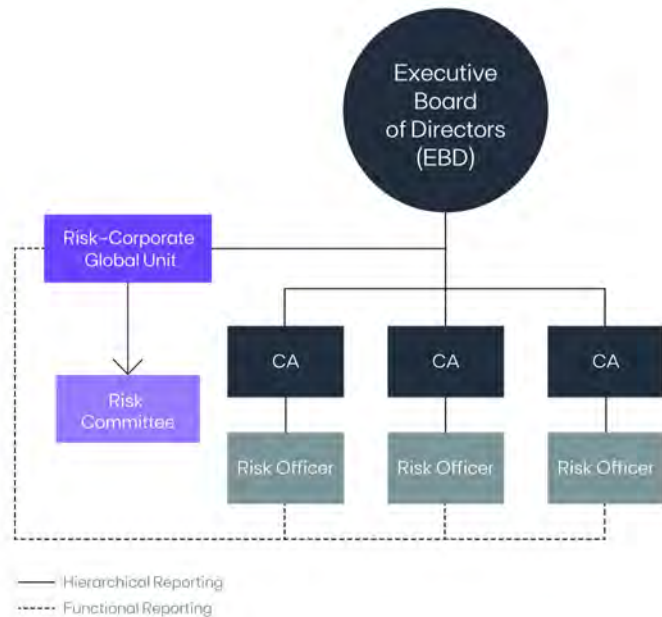
the risk-officer of the Business Unit/ Platform, and are responsible for (i) implementing mitigation measures and treatment plans in accordance with what is defined in the risk policies, (ii) monitoring the risk indicators defined (KRIs) by RISK, reporting on their evolution and providing visibility to the risk-officer of the Business Unit/ Platform whenever there is or there is anticipated behavior that could compromise the defined risk strategy, (iii) collect and report risk information to the risk-officer, within the scope of their activity, in accordance with recurring activities (risk maps, reports, etc.) or whenever necessary.

- **Local structures for risk management (risk-officers)** assume a key role on operationalizing risk management, typically under the direct hierarchical dependence of the respective Board of Directors, with functional coordination with the Group's Chief Risk-Officer, acting

in a segregated manner and independent from business operation. In large and/ or particularly complex Business Units local replicas of risk management corporate structure exist, articulated with the *Risk*. Their responsibilities include: (i) following the risk management methodology defined for the Group, (ii) identifying the main risks (threats and opportunities) within the scope of the activity, in close articulation with those responsible for the business, (iii) characterizing the main risks, with quantification and qualification of their materiality (iv) to escalate material risks to its Board of Directors and Risk - Corporate Global Unit, (v) to carry out studies on the main strategic themes and associated risks, in close articulation with those responsible for the business and Risk - Corporate Global Unit, (vi) to support its Board of Directors in taking strategic decisions from a risk perspective, (vii) to propose or issue opinions on

ways of mitigating or hedging the main risks, including, where applicable, defining risk management policies, risk treatment guidelines and risk limits, in liaison with the Risk - Corporate Global Unit (viii) to follow up and monitor relevant risks through the preparation of periodic reports on risk exposure and disclosure to the decision-making bodies and Risk - Corporate Global Unit, as well as monitoring the implementation of risk management policies, standards and procedures, including the monitoring of exposures in relation to the established limits, (ix) to coordinate the holding of Risk Committee meetings (x) ensure the interlocution and the adequate flow of information to and from the Risk - Corporate Global Unit, decision making bodies and other relevant stakeholders in all relevant risk related matters.

Model for risk function report at EDP Group (and communication with the corporate centre)



Furthermore, there are several regular forums for the discussion, analysis, and issue of opinions on risk-related topics:

- The main objective of the **EDP Group's Risk Committee** is to support the decisions of the Executive Board of Directors in the identification, analysis, evaluation, treatment and monitoring of risk, in terms of (i) supporting the identification of significant risks and the characterization of the EDP Group risk profile, (ii) to discuss the results of significant risk analysis and evaluation projects developed in conjunction with the Business and Corporate Global Units, (iii) to propose and issue opinions and/or recommendations on significant risk management strategies (e.g. policies, procedures and limits) for appraisal and approval by the Executive Board of Directors, and (iv) to monitor and control the evolution of significant risks. This Committee meets periodically and, whenever

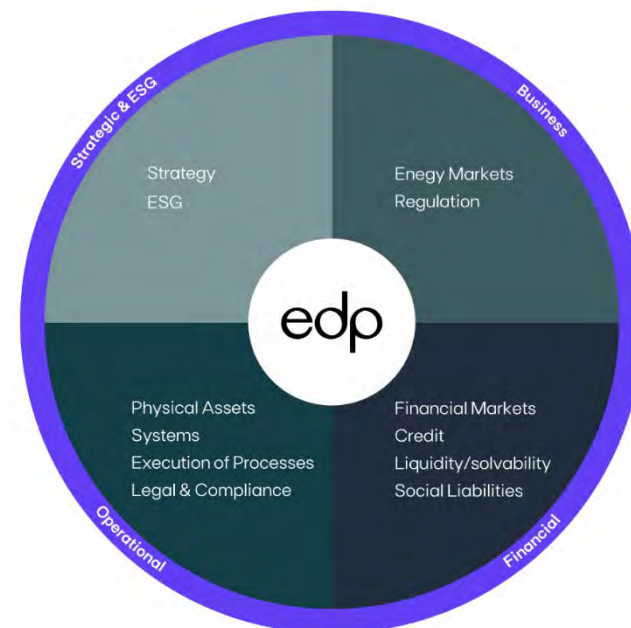
necessary, extraordinarily, preferably at least quarterly. The Committee is composed of the Group's main decision-makers and risk managers (members of the Executive Board of Directors, key corporate areas and members with responsibility for risk management of the main platforms/ geographies).

- The Individual Risk Committees** are created and conducted at the Group's Business Unit level when the degree of complexity of risk management justifies it, assuming a structure replicated from the Group's Risk Committee. These committees are typically coordinated by the respective risk-officer and include members of the Board of Directors, key areas of the Business Unit, as well as a member of the Risk - Corporate Global Unit, to ensure alignment at the Group level.

53. The main types of economic, financial, and legal risk to which the company is exposed in its business

The EDP Group's risk taxonomy aggregates, from an integrated perspective and in a common language, the various risk mappings existing at the level of the Group's various Business Units, and is structured around four major families: strategic & ESG, business, financial and operational.

Taxonomy of risks of the EDP Group



In 2022, the conflict in Ukraine resulted in a geopolitical and energy crisis with a transversal impact on strategic & ESG, business, financial and operational risks. In particular, for EDP Group, the main impacts were at the business level, with the increase in gas and energy prices, at the regulatory level, with the introduction of clawbacks on infra-marginal technologies, and at the financial markets level, with the increase in the cost of debt. Additionally, hydro power generation was substantially below average due to lower rainfall in the Iberian Peninsula.

Strategic & ESG risks

The EDP Group closely monitors and reports on strategic risks, since it considers that these risks may have a significant impact if they occur. The strategic & ESG risks can be broken down into two different types:

- **Strategic risks**, associated with strategic developments that could translate into a material negative impact for the Group, of a predominantly emerging nature. Examples of this type of risk are the risks of social and political crisis in the main geographies in which the Group operates, technological disruptions of various kinds, disruptive changes in the competitive paradigm and geopolitical risks.
- **In terms of the risk of social and political crisis**, the presence in various countries leads to greater exposure to risks related to political instability and discontent/ social crises, motivated by challenging macroeconomic/ political situations. These risks may impact the EDP Group, for example, from increases in volatility in the financial markets and regulatory risk.
- **In terms of technological disruptions**, the EDP Group has sought to position itself at the forefront of

technological development in the sector, viewing this issue not as a threat but as a central vehicle for promoting growth in the future. In this sense, the EDP Group has invested and researched actively and transversally in the promotion of new technologies in the various stages of the value chain (namely at the level of the activity of EDP Inovação, and the Digital Global Unit).

- **In terms of disruptive modifications to the competitive paradigm**, the Group recognises risks associated with alterations in the paradigm of the business model (for example, in terms of distributed generation). The EDP Group addresses this risk through rigorous analysis and prospective investments, allowing it to anticipate and proactively adapt its business model to possible market evolution trends.
- **In terms of geopolitical risks**, the Group recognizes the risks arising from the relationship between two countries, which may result from various factors, including commercial exchanges, military or political activity. Geopolitical tensions may have relevant impacts at the level of instability of energy and financial markets, counterparty and supply chain risks, among others.
- **ESG risks**, associated with environmental, social, governance and other transversal ESG risks.
 - **At the environmental level**, the Group is exposed to risks related to climate change (physical risks and opportunities, e.g. temperature rise and reduced precipitation, and transitional risks, e.g. market and technological risks), risk of impact of its activity on the loss of nature and biodiversity (e.g. pollution and threat to protected species) and circular economy (e.g. scarcity of raw materials and waste management).

- **At the social level**, the Group is exposed to a number of risks in its relationship with its employees and society: people risks (including employee welfare risks, management of employee talent and human rights violations), impact of the company's activities on communities (including risks of engagement with local communities and economies and economic inclusion), and security and asset and service quality risks (including service quality, customer satisfaction, security and data privacy and security).
- **At the governance level**, the EDP Group is exposed to two categories of risk: risks of inadequate corporate governance (including executive compensation, governance bodies and strategic alignment) and risks of business and ethical misconduct (including fraud and unethical behavior).
- **Transversal ESG risks** are considered to be risks that are not exclusively environmental, social or governance issues, but are transversal in nature, namely potential misalignment of ESG practices and direct/ indirect non-compliance with ESG commitments by counterparties, such as customers, suppliers, partners and financial or energy counterparties, impacting EDP's reputation. Additionally, risks associated with company communication, through external means such as the media, and internal such as departmental decisions, in misalignment with signed commitments, which may imply an adverse reputational impact for the company.

Business risks

Business risks include all risk factors intrinsically linked to the remuneration of the EDP Group's core business in energy generation, trading, distribution and supply in the various

countries and markets in which it operates. The business risks can be broken down into two distinct types:

- **Energy market risks**, related to electricity prices (pool) and other commodities, renewable energy generating volumes (hydro, wind, and solar power), energy consumption (associated with demand) and supply margins.
- Regarding **price of electricity**, the impact is limited by the fact that a significant part of the generation is long term contracted, mainly at EDP Renewables and most of the installed capacity in Brazil. Currently, (i) all generation in Portugal and Spain under the ordinary regime, (ii) generation in Brazil in excess or in deficit of the PPAs and (iii) part of EDP Renewables'1 wind farms in Spain, United States, Poland and other geographies are subject to market price fluctuations. Global Energy Management (GEM) is responsible for acting proactively in the spot and forward energy markets (both organized markets and over-the-counter) to optimize the market production margin and limit the respective risk, in accordance with clearly established delegated responsibilities and ensuring periodic P@R – Profit at Risk – reports, based on a proprietary model. GEM's performance is duly framed by a specific risk policy, including exposure limits.
- The **price of other commodities** (essentially fuels and CO₂) subject to fluctuations resulting from supply and demand dynamics or changes in international legislation and relevant only to power plants subject to the market, is monitored and managed proactively by GEM, which negotiates and manages coal and gas contracts and CO₂ licenses, and is also responsible for mitigating, via hedging, fuel price risk (including exchange rate risk

in US dollars, in coordination with Finance – Corporate Global Unit).

- In terms of **renewable energy generation volumes**, the EDP Group has a material degree of exposure, particularly with respect to hydro volumes (the Wind Yield Index¹ and Solar Yield Index² tend to be less volatile than the Hydro Yield Index³, on an annual basis), resulting from its commitment to a portfolio of increasingly renewable generation, as well as its hydro portfolio in Portugal and Brazil. Although this risk can introduce a certain annual volatility in the results, it has a significantly lower impact in the long term on EDP's generation portfolio, since (i) there is an inter-annual diversification of the risk, (ii) there is technological diversification, with a volume versus price compensation with the other technologies in the Group's portfolio (a lower hydroelectricity output is partly compensated by higher thermal generation and an upward trend in the pool price) and (iii) it is a risk with little market correlation. On the other hand, in Brazil, the exposure is significantly mitigated by the fact that (i) there is a diversification of hydroelectricity throughout the territory (through financial coupling mechanisms), (ii) there is a PPA on established firm energy, as well as (iii) the Group has adhered at the end of 2015, to the hydrological risk re-pricing mechanism which, combined with the price ceiling of the Settlement Price for the Differences (PLD), allows limiting the exposure to the deficit of allocated energy in relation to the energy sold in PPAs (for the regulated contracting environment).
- Regarding **energy consumption (electricity and gas)**, the EDP Group is subject to fluctuations in the amounts of energy sold depending, among others, on factors such as economic activity and annual

temperatures, as well as extraordinary events (such as the COVID-19 pandemic in 2020). Besides such economic cycle fluctuations and energy efficient solutions, consumption can also be affected by situations of rationing (as happened in Brazil in 2001). Given the difficulty to mitigate these risks, EDP chooses to manage them through diversification across multiple technologies, countries and business lines.

- Regarding **sales margins**, the current customer migration to the free market enhances the competitiveness of offers from suppliers and can add additional volatility in terms of market shares and unit margins. Moreover, there is risk associated with deviations in actual consumption from the forecasting model adopted by the Group. These risks are managed by the Group's energy sales companies, with particular emphasis on initiatives to i) strengthening the core offer (e.g., through combined electricity and gas products); and ii) introducing innovative products and services (e.g., Funciona and Re:dy). In addition, a team dedicated to the prices and volumes matters evaluates and regularly makes recommendations for the dynamic management of this risk.
- **Regulatory risks**, related to changes in legislation and regulations that the Group is required to comply with in the various countries and markets in which it operates (in particular, but not limited to, sectoral packages, regulatory frameworks, environmental legislation, and taxes, and other). This risk is managed proactively by the EDP Group, through monitoring and thorough preparation of the various dossiers and adopting a constructive and cooperative attitude in their discussion. This allows the materialization of options out of synch with reality in the different market contexts in

¹ Annual Wind Energy Ratio versus Annual Benchmark

² Ratio of Annual Solar Energy versus Annual Reference

³ Annual Hydro Power Ratio versus Annual Reference

which the Group operates to be anticipated and minimized.

Financial risks

The financial risks encompass the market risk factors linked to the (non-operational) energy business of the EDP Group in the various countries and markets where it operates. Financial risks can be divided into four different types:

- **Financial markets risks**, associated with fluctuations in international markets in interest rates, exchange rates, inflation and valuation of financial assets held by the Group.
 - **Regarding interest rates**, the risk is mainly associated with the percentage of debt at floating rates, as well as any increases in costs associated with fixed rate debt refinancing needs in a context of rising current interest rates. This risk is managed and mitigated by the Finance – Corporate Global Unit, which ensures compliance with the established risk profile, using the procedures and instruments provided for in the Group's policies, with periodic reports being prepared on the evolution of these variables and risk sources.
 - **Regarding foreign currency exchange rates**, the risk is associated with fluctuations in the cost of the purchase and sale of electricity and fuel, as well as with fluctuations in the value of net assets, debt and income generated in currencies other than the Group's functional currency. The EDP Group acts proactively to ensure a balanced net structural exposure (assets – liabilities) in US Dollars, British Pounds Sterling and Canadian Dollars. On the other hand, the geographical diversification of the Group's businesses (and corresponding exposure to multiple currencies) contributes to reducing
- volatility in the annual result. The remaining risk is managed and mitigated by Finance – Corporate Global Unit, in conjunction with GEM, EDP Renewables and EDP Brazil, in the same way as above.
- **Regarding inflation**, the risk is mainly associated with the fluctuation of revenues and operating costs in the various countries where the EDP Group operates. In terms of its mitigation, the remuneration models of the regulated activities, as well as part of the PPA contracts, include inflation indexation components in order to preserve an adequate remuneration to the activity. On the other hand, a significant component of the Group's current activity is focused on markets with more stable inflation levels. For the remaining risk, in addition to active management of the various supply and services contracts, the EDP Group addresses this risk from an integrated standpoint, mitigating it by means of a debt profile (fixed/variable rate) aligned with the respective revenue profile.
 - **Regarding the valuation of financial assets**, EDP adopts a conservative risk policy with reduced levels of exposure, based on a reduced weight of strategic financial assets and short-term cash investments mainly based on bank deposits (without market risk). This risk mainly results from the possibility of devaluation of the financial assets that EDP holds (traded on securities markets). It is managed according to the procedures and tools provided by the Group's risk policies.
 - **Counterparty and credit risks**, associated with unexpected changes in the compliance capacity with obligations by customers, financial counterparties (mainly associated with deposits in financial institutions and financial derivatives) and energy counterparties.
- **Regarding financial counterparties**, this risk is managed through: i) a careful selection of counterparties; ii) an appropriate diversification of risk over multiple counterparties; iii) an exposure based on financial instruments of reduced complexity, high liquidity and of a non-speculative nature; and iv) regular monitoring of the positions held.
 - **Regarding energy counterparties**, this risk is reduced for the operations in organized market, being that, for the operations in over-the-counter market and for the fuel purchases, GEM, responsible for the follow-up and interface with the wholesale markets, carries out the respective follow-up through the application of exposure and trading limits previously established and approved by a superior level, according to the counterparties' rating (external whenever possible, or internal if the previous one is unavailable), as well as the use of clearing houses. Similarly, there is also counterparty risk associated with long-term energy sales contracts, partially mitigated by the fact that some of the counterparties in this context are sovereign entities (Governments or State Electric Systems), while strict scrutiny and approval criteria are also applied to private counterparties.
 - **Regarding customers**, the Group is exposed to default risk in Portugal, Spain, and Brazil. The average level of risk in Spain is structurally mitigated in terms of expected loss due to a mix of customers with greater weight of the B2B segment (which has less relative weight of average default). The risk in Brazil is mitigated through financial collateral to mitigate the loss (for the Free Contracting Environment), and through the partial recovery of non-compliance by the regulated tariff (for the Regulated Contracting Environment). This is monitored by E-Redes and EDP Comercial (in

Portugal) and EDP España, which are responsible for carrying out the meter reading cycles and cutting off the service/taking legal action and debt recovery. In addition, mitigation tools such as credit insurance, credit risk premium and setting up bank collateral are used, whenever this is deemed necessary.

- **Liquidity/solvency risk**, associated with specific cash shortfalls, difficulties in access/ cost of credit and rating reduction risk.
- **Regarding possible sporadic cash shortfalls**, there is a risk of possible default of the EDP Group in meeting all its short-term liabilities in the committed time periods, or just being able to do so under unfavorable conditions. This risk is mitigated through careful liquidity management, by means of: i) centralization (cash pooling) of all the Group's liquidity at the holding company except for Brazil; ii) keeping adequate levels of liquidity (cash and firmly committed credit lines) based on detailed forecasting of cash requirements (reviewed in 2016 to cover two years of refinancing); iii) an appropriate strategy to diversify funding sources; and iv) the diversification of debt type and maturity profiles.
- **Regarding access to and the cost of credit**, the EDP Group has achieved, despite the adverse economic context, all funding necessary for the usual roll over of debt and to finance the Group's business. EDP's Group has successfully continued with its strategic commitment to reduce leverage (expressed as Net Debt/EBITDA excluding Regulatory Assets) over forthcoming years. Additionally, the Group has acted towards increasing the average maturity of its debt and reducing its average cost.

- **Regarding the risk of a ratings decline**, the EDP Group can be impacted in its access to and cost of financing by adverse changes in its rating profile (assigned by international agencies). EDP proactively manages this risk by maintaining a low risk profile and maintaining stable contractual standards, which assure that its liquidity position does not depend on mechanisms as financial covenants or rating triggers.

- **Social liabilities' risk**, associated with obligations relating to the capitalization of the Defined Benefit Pension Fund of the Group for Portugal, Spain and Brazil (which has a risk associated with the market value of its assets), and additional costs associated with early retirement as well as medical expenses. The liabilities for employee social benefits are calculated annually by an Independent Actuary on the basis of IFRS-IAS assumptions (taking various factors into account, including interest rate, demographic aspects, economic variables and the applicable requirements). The Defined Benefit Pension Fund is regularly monitored by the Pension Fund Committee that meets at an established frequency, in terms of the value of its assets and the variations in terms of its liabilities (e.g., actuarially related).

Operational risks

The operational risks encompass the risk factors other than those linked to the energy and financial business of the EDP Group in the various countries and markets where it operates, associated with the planning, construction and operation of physical assets, implementation of processes, systems and legal litigation and compliance. The operational risks can be broken down into five different types:

- **Physical assets risks**, related to unforeseen occurrences in projects under development/construction, damage to physical assets in operation and (technical and non-technical) operating losses, associated with the operation of the assets (mainly in distribution).
- **Regarding projects under development/construction and assets in operation**, the EDP Group is exposed to incidents derived from external causes (e.g., atmospheric phenomena, fires, damage to structures, assaults or thefts, environmental pollution) or internal causes (e.g., or installation), which may translate, among others, into threats to the physical integrity of the Group's employees or third parties, equipment repair or replacement costs, unavailability of assets and consequent loss of profit or compensatory damages to third parties. These risks are, firstly, managed and mitigated by the various operational areas of the Group's Business Units, which jointly propose and implement best practices at the level of various policies, standards and operating procedures, inspection and regular preventive maintenance, as well as crisis management and business continuity plans for catastrophic events. Secondly, a significant part of the remaining risk is mitigated through a comprehensive set of insurance policies (essentially at the level of property damage, civil liability and environment), ensured in an integrated manner through a dedicated area - the Insurable Risks Unit of EDP Global Solutions. This approach ensures consistency of risk management policies and dissemination of best practices, as well as strengthening the Group's negotiating position. The insurance policies in force contribute to relevant mitigation of the impact of major incidents (e.g. those associated with extreme and wide-ranging

atmospheric phenomena, revenue unavailability of generation assets or relevant compensation to third parties), as well as very low-frequency incidents of catastrophic impact (e.g. earthquakes).

- Regarding operating losses**, the EDP Group is, firstly, liable for regulatory penalties if it does not meet the objectives set for distribution efficiency (technical losses) and also, on the other hand, for the loss of revenue associated with increased consumption of non-invoiced energy (non-technical losses). The various energy distribution Business Units (E-Redes, EDP España, Espírito Santo and São Paulo) are responsible for this risk. Programs are continuously developed to monitor and mitigate this risk (including the launch of comprehensive programs to combat fraud).
- Process execution risks**, associated with irregularities in the implementation of various processes (particularly, but not limited to, commercial activities, supplier selection and management, billing and collection from customers, planning and budgeting of activities). This risk is monitored by the various Business Units. Its mitigation regarding financial reporting is controlled through the group-wide Financial Reporting Internal Control System (SCIRF), which systematically assess both quantitatively and qualitatively the existence and adequacy of the design and documentation of the various existing processes, as well as their internal control mechanisms, based on annual cycles.
- Systems risks**, associated with both the non-availability of information systems, as well as failure in the integrity and security of their data, due to a growing sophistication and integration of the several informatic systems and technologies. These risks are managed by dedicated areas within each the Business Unit (centralized in the Digital Global Unit for Portugal and Spain). To mitigate IT risks, there were established in

collaboration with Business Units (end-users) critical levels and maximum unavailability timings allowed for each key application. Disaster recovery redundant systems have also been sized and implemented to address the business specifications (particularly strict for critical systems related with, for example, the implementation of financial transactions, communication and grid operation and trading of energy). Business Units with operational information systems (i.e., EDP Produção and E-Redes) have specialized teams to guarantee the security and integrity of systems. Additionally, regarding cyber security, a number of mitigation measures have been developed, namely i) the creation of a Security Operations Centre (SOC) dedicated to the continuous monitoring of the security of IT/ OT infrastructures, ii) the creation of a cyber range to simulate and test the reaction of employees in case of cyber-attack, iii) insurance coverage of cyber risks, and iv) the development of training and other awareness initiatives about the key principles of information security.

- Legal and compliance risks**, associated with losses arising from non-compliance with existing tax, labour, administrative, or civil legislation, or any other, that has an economic (penalties, compensation and agreements) and reputation impact.

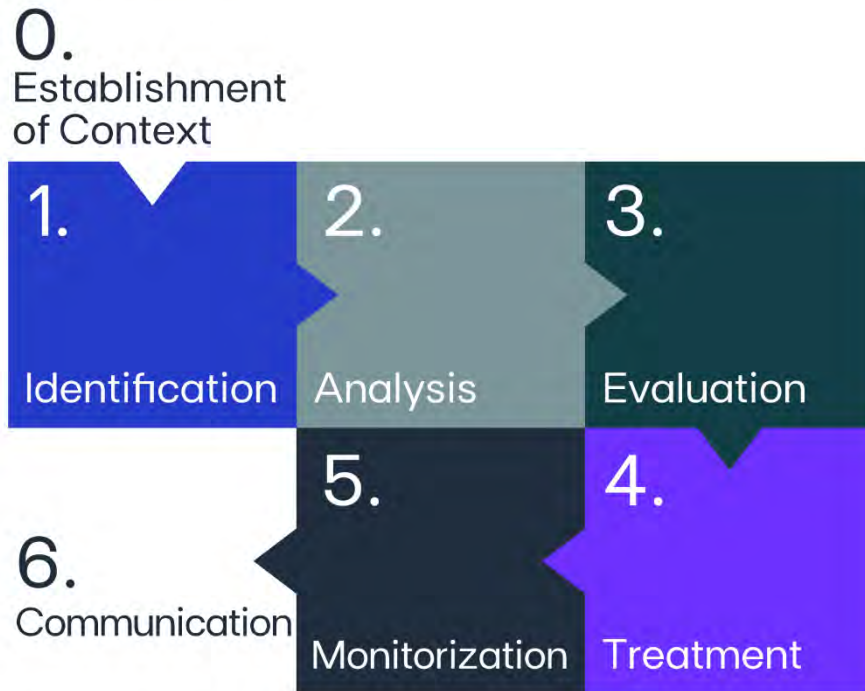
EDP Group analyses, monitors, and reports the aggregate exposure and material developments to all relevant bodies, whether at the level of the Board of Directors or the General and Supervisory Board. In addition to overall exposure and by country, all cases deemed to be of a material nature (contingency over EUR 2.5 million) are collected, analysed, and reported individually. All ongoing processes are evaluated and classified individually by legal advisors as probable, possible, or remote, according to their probability of resulting in a negative impact on the EDP Group. The Executive Board of Directors of EDP and the Boards of

Directors of its subsidiaries, based on the information provided by legal advisors and on the analysis of pending lawsuits, recognizes provisions to cover the losses estimated as probable, related with litigations in progress. This treatment includes not only ongoing disputes (litigation in courts and out-of-court), but also the main contingencies in dispute and not materialized (and which may also translate into a negative impact, through the materialization of a dispute).

- Regarding potential unethical conduct by employees or other associated entities**, the EDP Group provides regular training (for all employees) on ethical models of action and behaviour in case of transgressions in the ethical field. This risk is monitored by the EDP Group's Ethics Ombudsman Office, an internal structure responsible for collecting, analysing and assessing, in the Ethics Committee, all allegations of unethical behaviour, under strict conditions of confidentiality and protection of the respective sources. In addition, the EDP Group's Ethics Committee is responsible for defining lines of action to mitigate and sanction unethical behaviour, whenever necessary, according to the facts collected and reported by the Ombudsman. Risks associated with non-compliance with processes or corruption are also monitored by the Compliance & Internal Control.

54. Identification, analysis, evaluation, treatment, and monitoring of risks

Risk Management Process



1-5 Fundamental Phases
0,6 Complementary Phases

Given the size of EDP Group and its geographical diversity, it is important to define a common process for all Business Units that recognizes and manages the heterogeneity of businesses and activities in which the Group operates. Accordingly, risk management in the EDP Group can be divided into five major integrated and structured phases (identification, analysis, evaluation, treatment, and monitoring), complemented by a previous phase of establishment of context, and adequate levels of communication between all stakeholders:

- The **identification** of risks refers to mapping and updating the main risks associated with the Group's activity, as well as representing them in a structured repository – the taxonomy of risks. This exercise is, in the first place, the responsibility of each of the Business Units and Corporate Global Units within their respective scope, and the Risk – Corporate Global Unit, in coordination with the respective risk-officers, is responsible for validating and integrating the various exercises in a general repository (at the EDP Group level). In this sense, a mapping of the EDP Group's main risks in relation to the budget and/or business plan, of the main emerging risks, and of the climatic risks (in accordance with the TCFD recommendations) complemented by local exercises in some Business Units, is carried out on a recurrent basis. More recently, the EDP Group's risk taxonomy was revised to guarantee the inclusion of ESG risks in a structured manner, and complemented by a specific taxonomy of ESG risks with greater detail, thus promoting the adoption of a common language and facilitating the structuring of the various risk identification exercises carried out in the scope of specific risks and/or or Business Units.
- The **analysis** of risks is related to the establishment of criteria to evaluate the nature and materiality of risks, as well as the analysis of the respective individual and aggregate exposure in accordance with the defined criteria. This exercise is, in the first place, the responsibility of each Business Unit and Corporate Global Units within their respective scope, and it is up to the Risk – Corporate Global Unit, in coordination with the respective risk-officers, to support the respective execution, namely through the development of adequate methodologies. This standardization and systematization of analysis and assessment criteria enables risks of heterogeneous natures to be compared, to inform the various decision-making bodies about the relative orders of magnitude of the various risks, and to guide the prioritization of management and mitigation actions, as well as the definition of clear risk management policies at various levels (including the definition of limits). In addition to the isolated analysis of individual risks, risk-return analyses and quantitative risk maps (based on EBITDA@Risk, Cash-flow@Risk or other methodologies) are also systematically carried out, supporting the Group's main strategic decisions and guidelines (for example, at the level of the Group's Strategic Plan, investment decisions).
- The **evaluation** of risks consists of comparing the risk profile with the Group's risk exposure appetite (explicit or implicit), as well as the consequent definition of adequate strategies for the respective treatment, when necessary. This exercise is the responsibility of the Executive Board of Directors and the various Business Units, supported by the respective risk-officers, who act in articulation with the business management (risk-owners) and with the Risk – Corporate Global Unit, led by the Chief Risk-Officer. In this

sense, we should highlight the formalisation of a risk appetite for the EDP Group, which simultaneously serves the external purpose of structuring a holistic narrative articulated around the strategic pillar of controlled risk for the EDP Group, as well as the internal purpose of promoting reflection on strategic options of risk–return trade–offs.

- The **treatment** consists of the appropriate implementation of the risk strategies previously established, including the definition of adequate control mechanisms. This exercise is the responsibility of each of the Business Units and Corporate Global Units, within their respective scope.
- The **monitoring** ensures the effectiveness of action on identified risks, both with regard to control and periodic reporting of the position in terms of the various risk factors, and with regard to the effective implementation of policies, standards and procedures established for risk management. This exercise is the responsibility of the Executive Board of Directors and the Group's various Business Units. The Risk – Corporate Global Unit and the risk–officers of the various Business Units are responsible for promoting and stimulating risk management and control activities, disseminating best practices and supporting the dissemination of concepts, methods, risk measures and key risk indicators (KRI). Additionally, Risk – Corporate Global Unit and the respective network of risk–officers develop a set of management information reports at defined intervals, disclosed to the Executive Board of Directors and to the Boards of Directors of the various Business Units. These reports allow the organization to regularly track KRIs that are aligned with performance metrics and, as such, mirror the risk profile at each moment. Additionally, these indicators are subject to risk limits in turn aligned with the objectives and strategy of the EDP Group, thus allowing this to be implemented at the operational level. This information and the evolution of the company's risk profile are also reported to the General Supervisory Board, through the Financial Matters /Audit Committee, namely through the Risk Appetite dashboard that is shared quarterly.

55. Main features of the risk management and internal control systems in place in the company for the disclosure of financial information

EDP Group has implemented the Internal Control System of Financial Reporting (ICFR), based on criteria established by the regulatory framework of internal control issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013), in relation to business processes and entity level controls, and the Control Objectives for Information and Related Technologies (COBIT), in relation to the general controls of information technology.

According to the adopted methodology and approved Internal Control of Financial Reporting Standard, activities were carried out related to the implementation, maintenance, monitoring and assessment of the internal control system, within the competence of those responsible that participate in it at the corporate level, business unit level/ geographies of the EDP Group.

It is highlighted the development of the following activities:

- Planning and monitoring the annual ICFR cycle, maintenance and review of reference models, conceptual and methodological support to Corporate Centre Departments, Business Units and Geographies;
- Defining ICFR Scoping Model based in the consolidated financial information, supported on materiality and risk criteria on a "top down" approach (Compliance & Internal Control) and "bottom up" approach (Corporate Centre, Business Units and Geographies) on annually basis and mid–year review, where the processes considered relevant are identified;
- Support for Corporate Centre Departments, Business Units and Geographies in the documentation and review of new controls and redesign of the existing, resulting from the inclusion of new topics, by materiality and/or risk and legal, structural, procedural and/or accounting changes;
- Identification, review, and appointment of ICFR responsables, depending on the result of the scope model application and on the review and/or update due to organizational, structural, legislative and operational changes in the Corporate Centre Departments, Business Units and Geographies;
- Identification of relevant Information Systems that supports ICFR and analysis of "service organizations", for monitoring the issuance of the ISAE 3402 International Standard on Assurance Engagements, reports corresponding to an independent assessment of the control environment used by information technology service providers for EDP Group;
- Monitoring and support provided to Corporate Centre Departments, Business Units and Geographies in the resolution of identified non–compliances and improvement opportunities and reporting to internal responsables and supervisors;
- Launch and monitoring of the self–certification process, through which those responsible for the internal control, declare their explicit recognition about the (i) sufficiency or insufficiency of the controls documentation in terms of updating and adjustment, (ii) its execution and maintenance of evidence, (iii) actions approval and implementation related to the resolution of non–compliance and improvement opportunities and (iv) compliance with the Code of Ethics and the Integrity Policy of EDP Group;
- Monitoring of the annually assessment process conducted by the Statutory Auditor, in terms of work planning and interactions with Corporate Centre Departments, Business Units and Geographies.

On this matter, the Statutory Auditor issued an independent report on the Group's Internal Control of Financial Reporting System related to the financial statements as of December 31, 2022, without reservations nor qualifications, presented in the annex "Reports, Certifications and Declarations ", concluding with a reasonable degree of assurance, regarding the design and effectiveness of the internal control of financial reporting system of EDP Group.

IV. Investor Relations

56. Composition, duties and information provided by these services and their contact information

The essential role of the Investor Relations – Corporate Global Unit is to act as the interlocutor between EDP's Executive Board of Directors and investors and the financial markets in general. It is responsible for all the information provided by the EDP Group, in terms of disclosure of privileged information and other market communications and publication of periodic financial statements, and it also ensures that the information requirements of the regulatory and financial supervision authorities are met.

In carrying out its duties, the department is in constant contact with investors and financial analysts, providing all the information that they request, while observing the applicable legal and regulatory provisions.

EDP's Investor Relations comprises five people and is coordinated by Miguel Viana. It is located at the Company's head office:

Avenida 24 de Julho, n.º 12, 4.º Piso – Poente
 1249-300 Lisboa
 Telephone: +351 21 001 2834
 E-mail: ir@edp.com
 Site: www.edp.com

The following chart shows the communication channels through which EDP provides its shareholders with information on each type of documentation.

CHANNELS	IN PERSON ¹	WWW.EDP.COM	E-MAIL	IR PHONE NUMBER ²	WWW.CMVM.PT
ELEMENTS REQUIRED BY LAW OR REGULATION³					
Notice of meeting	✓	✓	✓	✓	✓
Executive Board of Directors' proposals	✓	✓	-	✓	✓
Amendment of the Articles of Association	✓	✓	-	✓	✓
Other proposals	✓	✓	-	✓	-
Annual Report	✓	✓	✓	-	✓
Management and supervisory positions held in other Group companies by company officers	✓	✓	-	✓	✓
ADDITIONAL ELEMENTS					
Ballots for voting by proxy	✓	✓	✓	✓	-
Ballots for voting by mail	✓	✓	✓	✓	-
Ballots for voting by e-mail	✓	✓	✓	✓	-
Clarification of any issues	✓	✓	✓	✓	-
EDP Articles of Association and Regulations	✓	✓	✓	✓	✓

¹ At EDP's headquarters;

² IR phone number +351 21 001 2834;

³ Art. 289 of Companies Code and Regulation of CMVM 5/2008.

57. Representative for market relations

The representative for market relations is Director Rui Manuel Rodrigues Lopes Teixeira.

58. Percentage of and response time to queries received in the year or pending from previous years

EDP's goal is for communication with the market to consist of objective, transparent information that is understandable to all stakeholders. In order to achieve such intent and bearing in mind the importance of keeping a trustworthy and sustainable behaviour, EDP has adopted a financial reporting policy based on transparent and consistent information properly conveyed to investors and analysts.

In 2022, 90 market communications were made. The Investor Relations received several requests for information during the year and the average response time to queries was less than 24 hours.

The Company's efforts have been rewarded at several events. In 2022, EDP was nominated for the IR Magazine Europe Awards 2022, having been considered the third-best company in the Utilities sector; it was also considered the eighteenth best company in Investor Relations in all sectors in Europe. In addition to being recognized by IR Magazine, EDP was also awarded by Aeri (Spanish Association to the Investor Relations) in the 1st Iberian Equity Awards, with the Best IR Team in Portugal, Most improved ESG program in Portugal, Most improved IR program in Portugal and Overall Corporate winner in Portugal.

V. Website

59. Website Address

[EDP's website](#) provides comprehensive legal or corporate governance information, updates on the Group's activity and complete financial and operational data in order to facilitate searches and access to information by shareholders, financial analysts and others.

The information made available through this channel in Portuguese and English includes data on the Company, financial statements and accounts, privileged information, the Articles of Association and Internal Regulation of corporate bodies, the Group's shareholder structure, preparatory documentation for General Meetings, historical performance of EDP share prices, a calendar of Company events, the names of members of the corporate bodies and the representative for market relations, contact information for the Investor Relations and other information of potential interest about the Group. EDP's website also allows visitors to consult accounting documents for any financial year since 1999.

60. Location of information about the company, its status as a public limited company, head office and other details mentioned in Article 171 of the Company Code

The information set out in Article 171 of the Companies Code is available on EDP's website on: [Policies and Documentation | edp.com](#)

61. Location of the Articles of Association and regulations of bodies or committees

The Articles of Association and regulations of bodies and committees are available on EDP's website on: [Policies and Documentation | edp.com](#)

62. Location of information on the names of members of the corporate bodies, market relations representative, investor relations office or equivalent body, their duties and forms of access

The names of members of the corporate bodies, market relations representative, investor relations office or equivalent body, their duties and forms of access are available on EDP's website on: [Model and Governing Bodies | edp.com | Policies and Documentation | edp.com](#)

63. Location of accounting documents, which must be available for at least five years and the six-monthly calendar of company events disclosed at the start of each half year, including General Meetings, disclosure of annual, six-monthly and, if applicable, quarterly accounts

The accounting documents and calendar of company events are available on EDP's website on: [Results and Reports | edp.com | Investors | edp.com](#)

64. Location of notice of meeting for General Meetings and all their preparatory and subsequent information

The notice of meeting for General Meetings and all their preparatory and subsequent information are available on EDP's website on: [General Meetings | edp.com](#)

65. Location of history of decisions made at the company's General Meetings, the share capital represented and result of votes for the previous three years

The history of decisions made at the Company's General Meetings, the share capital represented, and result of votes are available on EDP's website on: [General Meetings | edp.com](#)

D. Remuneration

I. Power to set Remuneration

66. Power to set the remuneration of corporate bodies and company directors

As provided for in the EDP Articles of Association until the amendments resulting from the General Meeting held on 14 April 2021, the remuneration of the members of the governing bodies was fixed by a Remuneration Committee appointed by the General Meeting, with the exception of the remuneration of the members of the Board of Directors Executive Board, which were set by a Remuneration Committee appointed by the General and Supervisory Board.

These Committees submitted annually to the General Meeting a declaration on the remuneration policy of the members of the governing bodies, pursuant to the provisions of paragraph 1 of article 2 of Law no. 28/2009, of 19 June.

With the entry into force of Law no. 50/2020, of 25 August, which transposed Directive (EU) no. 2017/828 of the European Parliament and of the Council of 17 May 2017, the Remuneration Committee is responsible to submit to the Company's General Shareholders' Meeting a proposal for a Remuneration Policy for the Members of the Governing Bodies.

Following the General Shareholders' Meeting held on 14 April 2021, was approved as were the proposal for the remuneration policy of the members of the governing bodies submitted by the Remuneration Committee appointed by the General Meeting, the proposed policy remuneration of the members of the Executive Board of Directors, which was submitted by the Remuneration Committee appointed by the

General and Supervisory Board, respectively by 98.69% and 98.58%.

At the General Meeting of April 6, 2022, the individual and consolidated financial statements for 2021, including the sole management report (including chapter on corporate governance and the remuneration report), the individual and consolidated accounts and the annual report and the opinion of the General and Supervisory Board (which includes the annual report of the Financial Matters/Audit Committee) and the legal certification of the individual and consolidated accounts were approved by the majority of the votes cast (98.66% of votes in favour).

The Remuneration Committee elected by the General Meeting takes into account, for the purposes of the proposed remuneration policy for the members of the General and Supervisory Board, the Board of the General Meeting and the Statutory Auditor, namely, their fixed nature, as well as the mandatory rules on their determination, in particular the provisions of number 2 of article 440 of the Commercial Companies Code, which explains the criteria for determining the remuneration of the General and Supervisory Board, in article 374-A of the Commercial Companies Code, pursuant to Law no. 50/2020, of 25 August, on the remuneration of members of the Board of the General Meeting and in article 60 of Decree-Law no. 224/2008, of 20 November, on the remuneration of the Statutory Auditor.

II. Remuneration Committee

67. Membership of the Remuneration Committee, including names of the natural or legal persons hired to assist and declaration on independence of each member and consultant

The membership of the Remuneration Committee appointed by the General Meeting and of the Remuneration Committee

appointed by the General and Supervisory Board is set out in Item 29.

The members of the Remuneration Committee appointed by the General and Supervisory Board are mostly independent, as set out in Article 3(1) of its Internal Regulation, and their declarations of independence are published at [EDP's website](#).

In 2022, the Remuneration Committee of the General and Supervisory Board hired an external consultant – Mercer (Portugal), Lda. – to support it in the validation and certification of the calculation of the annual and multi-annual variable remuneration of the Executive Board of Directors.

In January 2023, the General and Supervisory Board also hired Mercer (Portugal), Lda. to provide services concerning the certification of the evaluation process of the abovementioned body, of its Specialized Committees and of the Executive Board of Directors. The referred certifications may be consulted at the 2022 Annual Report of the General and Supervisory Board.

68. Knowledge and experience of remuneration policy of the members of the Remuneration Committee

The Remuneration Committee of the General and Supervisory Board is composed of members of the General and Supervisory Board with qualifications and experience in remuneration policy, according to Annex I of the current Report. On the other hand, the Remuneration Committee appointed by the General Meeting is composed of a number of members not less than three, with adequate knowledge and experience in matters of remuneration policy, in accordance with article 2 of the respective Internal Regulation and in accordance with the curricular notes attached to the proposal for election at the General Meeting available at: [Appointment of the members of the](#)

[Remuneration Committee to be appointed by the General Shareholders' Meeting – Item 11 of the Agenda | edp.com](#)

III. Remuneration Structure

69. Remuneration policy of management and supervisory bodies

Executive Board of Directors

The Executive Board of Directors' Remuneration Policy ensures a (fixed) base remuneration, the payment of which is not dependent on performance evaluation, which must be fair, competitive, and sufficiently relevant in relation to the total remuneration, in order to allow greater flexibility in the conformation of the variable component of the remuneration.

The Remuneration Policy of the Executive Board of Directors comprises a variable remuneration, with an annual component, and a multi-annual component, with the nature of reward/incentive appropriate to the individual and collective performance of the members of the Executive Board of Directors and the promotion of good conduct, taking into account EDP's short- and long-term, financial, and non-financial objectives that are achieved, and the way in which they were achieved (pay for performance).

The annual variable component is linked to financial and non-financial objectives established in accordance with EDP's Annual Budget, measured annually, with an impact on the year and subject to evaluation and consequent repercussion in the following years, being paid in cash. The annual variable remuneration must be determined after the approval of EDP's accounts at the Annual General Meeting each year, by reference to the previous year/period of annual performance. The payment of multi-annual variable remuneration is partially deferred.

The multi-annual variable component is linked to the quantitative and qualitative objectives of EDP's Business Plan, the fulfilment of which will be evaluated at the end of a period of three years, with the respective payment subject to partial deferral. The multi-annual variable remuneration is paid exclusively in shares representing the share capital of EDP.

The determination of the variable annual and multi-annual remuneration of the members of the Executive Board of Directors in accordance with the Remuneration Policy is the responsibility of the Remuneration Committee of the General and Supervisory Board.

The payment of the variable remuneration is subject to the permanence of the member of the Executive Board of Directors at EDP until the end of the annual or three-year period of relevant performance, without prejudice to the provisions of the Remuneration Policy.

The Remuneration Policy approved at the General Shareholders' Meeting held on 14 April 2021 determines therefore the following:

- **Fixed remuneration** – The base remuneration of the members of the Executive Board of Directors must be aligned with the base remuneration practiced by a group of companies comparable with EDP, of the national market (PSI 20 Index) and of the international electricity sector, in terms of size, market capitalization, risk profile, relevance and geographic implantation, also considering, at all times, the complexity of the functions performed, the remuneration conditions of EDP workers and the non-increase of the average remuneration gap of the market between workers and managers. Considering the reduction in the number of members of the Executive Board of Directors and the organizational / functional review of the same with the consequent increase in

responsibilities resulting therefrom, in particular the lower overall remuneration level of the Executive Board of Directors, the Remuneration Policy in force has eliminated a remuneration level in the Executive Board of Directors, reducing, compared to the previous Remuneration Policy, from three to two, the levels of remuneration of the members of the Executive Board of Directors, under the following terms: (i) annual base remuneration of the CEO: 800,000.00 Euro; and (ii) annual base remuneration of the other members of the Executive Board of Directors: 560,000.00 Euro. The base remuneration of the members of the Executive Board of Directors is paid in 14 monthly instalments.

- **Annual variable remuneration** – The maximum annual variable remuneration may not be higher than 80% of the base remuneration in force in the year to which the referred annual variable remuneration refers, being determined, and falling due, after the approval of accounts for the year to which it relates. The annual variable remuneration has the nature of an incentive / performance bonus linked to short-term financial and non-financial objectives (linked to the business plan and budget), analysed annually, with a reflection on the year under evaluation and possible repercussions in the following years, being paid in cash. The amount of the annual performance bonus will be determined within three months after the approval of EDP's accounts at the Annual General Shareholders Meeting each year, by reference to the previous annual performance period. Key annual performance indicators (and weightings) pursuant to the budget for the year at stake are as follows:
 - *regarding the quantitative component:* (i) Growth – Earnings per share recurring (20%), (ii) shareholder remuneration – Total Shareholder return vs Eurostoxx utilities (20%), (iii) Balance sheet solidity – Funds from Operations/Net Debit (10%), (iv) Operational efficiency – Recurring Cash

OPEX (10%); (v) ESG indicator(s)(20%) including Dow Jones Sustainability Index Results, performance in the employees' yearly climate study and performance in the customer satisfaction index; the 80% resulting from the weighted sum of these indicators reflects a performance that is common to all members of the EBD; and,

- *regarding qualitative component:* (i) implementation of the Business Plan in the year (25%), (ii) team management (25%), (iii) Teamwork (25%) and (iv) Stakeholder management (25%). This 20% weighting results from an individual qualitative assessment carried out by the Remuneration Committee of the General and Supervisory Board, based on the individual performance of each member of the Executive Board of Directors and, after consultation with the Executive Board of Directors.
- **Multiannual variable remuneration** – The multiannual variable remuneration will be calculated and will be due within 3 (three) months after the approval of accounts for the last financial year of the three-year period to which it relates and will be paid in EDP Shares. The number of EDP shares to be awarded to each member of the Executive Board of Directors will be the one resulting from the quotient between the value of the remuneration calculated as to be paid in EDP shares after performance evaluation, and the price attribution of EDP shares corresponding to the average price of EDP shares in the last month prior to the General Shareholders' Meeting on 14 April 2021: 4.95 Euros. The multi-annual variable remuneration will be measured according to the fulfilment of long-term financial and non-financial objectives in accordance with the Business Plan approved by EDP, including the Company's sustainability metrics within the scope of ESG (Environment, Social and

Governance) policies and objectives. Key multi-annual performance indicators for the three-year term of office (and weightings) against the 2021–2025 Business Plan subject to a prior favourable opinion of the General and Supervisory Board of 24 February 2021, after approval by the Executive Board of Directors:

- Regarding the quantitative component: (i) Shareholder remuneration – Total shareholder return vs Eurostoxx utilities (40%); (ii) Growth – Earnings per share recurring cumulative (20%) and (iii) ESG indicators (20%) including increase of share of renewable energy production, emissions reduction and Bloomberg Gender Equality Index Performance. The 80% resulting from the weighted sum of these indicators reflects a performance that is common to all members of the Executive Board of Directors. The remaining 20% result from an individualized qualitative assessment carried out by Remuneration Committee, based on the individual performance of each of the members of the Executive Board of Directors, and after consulting the Executive Board of Directors.
- Regarding qualitative component (i) strategy and execution (25%), (ii) employee development (25%), (iii) teamwork and new forms of working and (25%) stakeholders management (25%).

For more detailed information please see Part IV – Remuneration Report.

General and Supervisory Board

In compliance with the provisions of article 440 of the Commercial Companies Code, the remuneration of the members of the General and Supervisory Board is of a fixed nature, taking into account the duties performed.

The remuneration of the Chairman of the General and Supervisory Board was fixed considering, namely, the necessary availability for the exercise of the respective functions as well as the significant institutional representation component required. The remuneration of the Chairman of the General and Supervisory Board also includes the costs associated with the use of the vehicle and its driver.

The Remuneration Committee elected by the General Meeting defined the remuneration policy for the members of the General and Supervisory Board, having as a guiding principle that it should be simple, transparent, moderate, adapted to the working conditions performed and the Company's economic situation, but, also competitive and equitable, in order to guarantee the purpose of creating value for shareholders and other stakeholders.

Based on these criteria and considering the challenges that the Company intends to pursue during the next term of office, the Remuneration Committee elected by the General Meeting decided that the following guidelines should apply:

- a distinction must be maintained between the remuneration attributed to the members of the General Supervisory Board and those fixed to the members of the Executive Board of Directors, with the former not being allocated a variable remuneration component or any other remuneration supplement.
- the performance with merit and the complexity of the functions performed by the members of each body must be considered, so that the cohesion, stability, and development of the Society are not jeopardized.
- regarding the Chairman of the General Supervisory Board, it must be considered that the functions require great availability and include a strong component of institutional representation. He may also chair the

Financial Matters Committee/Audit Committee, without additional remuneration.

- if the chairmanship of the Financial Matters Committee/Audit Committee is assigned to another member of the General Supervisory Board, other than its Chairman, he/she must have a compatible remuneration, depending on the responsibility of the position and the requirement of availability.
- in any case, the Chairman of the General Supervisory Board, or the Chairman of the Financial Matters Committee/Audit Committee, if they are separate persons, may not accumulate any other remuneration in relation to the basis assigned to them.
- it is also important to differentiate the performance of other specific functions, within the scope of the General Supervisory Board, namely the participation of members of the General Supervisory Board in other committees, as well as the functions performed in these committees.
- finally, it should be considered that, historically, the remuneration of the Chairman of the Board of the General Meeting is similar to the remuneration attributed to the Chairman of a Committee. For this reason, the remuneration of the Chairman of the Board is aligned accordingly, and his inherent membership of the position of Member of the General Supervisory Board is also considered.

For more detailed information please see Part IV – Remuneration Report.

70. How remuneration is structured to allow alignment of the interests of the members of the managing body with the company's long-term interests and how it is based on assessment of performance and discourages excessive risk-taking

As set out in the Remuneration report, the Remuneration Policy of the Executive Board of Directors comprises a variable remuneration, with an annual component, and a multi-annual component, with the nature of reward/incentive appropriate to the individual and collective performance of the members of the Executive Board of Directors and the promotion of good conduct, taking into account EDP's short- and long-term, financial and non-financial objectives that are achieved, and the way in which they were achieved (pay for performance).

Pursuant to the principles set out in the Remuneration Policy approved at the General Shareholders' Meeting, the remuneration of the members of the Executive Board of Directors should be aligned with the interests of shareholders, be focused on the creation of long-term value and be compatible with adequate risk management and rigorous, thus contributing to the Company's strategy, to its values and long-term interests and to its sustainability.

The right to variable remuneration and its effective payment is conditioned to the non-performance, by the members of the Executive Board of Directors, of any malicious illegal acts known after the evaluation has been carried out, and which cause damage to EDP or jeopardize the sustainability of performance of EDP and are the subject of a claim for compensation to EDP, by shareholders or third parties.

EDP's Executive Board of Directors Members do not enter into contracts, either with the Company or with third parties, the effect of which is to mitigate the risk associated with the

variability of the remuneration determined for them by the Company.

For more detailed information please see Part IV – Remuneration Report.

71. Reference to a variable remuneration component and any impact of performance evaluation on this component

As described above, in item 69, the Remuneration Policy in force is composed of three components: (i) fixed remuneration, (ii) annual variable remuneration and (iii) multi-annual variable remuneration.

For more detailed information please see Part IV – Remuneration Report.

72. Deferral of payment of variable component of remuneration and its length

The payment of annual performance bonus is partially deferred in 30% of its value throughout a 2-year period, with the payment to be carried out in 50% each year, with EDP reserving through the Remuneration Committee of the General and Supervisory Board the possibility of not applying such deferral when the annual amount of the bonus is not higher than 20% of the relevant base remuneration.

The multi-annual variable component is linked to the quantitative and qualitative objectives of EDP's Business Plan, the fulfilment of which will be evaluated at the end of a period of three years, with the respective payment subject to partial deferral. The multi-annual variable remuneration is paid exclusively in shares representing the share capital of EDP.

The payment of two thirds of the multi-annual variable remuneration payable in EDP shares will be deferred and

must be paid in two equal and successive annual instalments, ensuring that the payment of the multi-annual variable remuneration is made in the third year after each year of performance of the plan. multiannual year in reference, the first one due, respectively, and the second two years after the annual General Meeting at which the EDP accounts corresponding to the last year of the term in question are approved.

For more detailed information please see Part IV – Remuneration Report.

73. Criteria on allocation of variable remuneration in shares and executive directors' maintenance of these shares, any agreements concluded concerning these shares, such as hedging or risk transfer contracts, their limit, and their association with total annual remuneration

The multiannual variable remuneration will be calculated and will be due within three months after the approval of accounts for the last financial year of the three-year period to which it relates and will be paid in EDP Shares.

The number of EDP shares to be awarded to each member of the Executive Board of Directors will be the one resulting from the quotient between the value of the remuneration calculated as to be paid in EDP shares after performance evaluation, and the price attribution of EDP shares corresponding to the average price of EDP shares in the last month prior to the General Shareholders' Meeting on 14 April 2021: EUR. 4.95.

The multi-annual variable remuneration will be measured according to the fulfilment of long-term financial and non-financial objectives in accordance with the Business Plan approved by EDP, including the Company's sustainability

metrics within the scope of ESG (Environment, Social and Governance) policies and objectives.

The payment of two thirds of the multi-annual variable remuneration payable in EDP shares will be deferred and must be paid in two equal and successive annual instalments, ensuring that the payment of the multi-annual variable remuneration is made in the third year after each year of performance of the plan. multiannual year in reference, the first one due, respectively, and the second two years after the annual General Meeting at which the EDP accounts corresponding to the last year of the term in question are approved.

The payment of a significant part of the component of the multiannual variable remuneration in EDP shares reinforces the focus on the capital market and the alignment of interests of the members of the Executive Board of Directors with those of shareholders.

74. Criteria on allocation of variable remuneration in options, period of deferral and price of exercise

EDP has no variable remuneration option schemes.

75. Main parameters and basis of any annual bonus system and any non-monetary benefits

The members of the Executive Board of Directors also benefit from the following additional benefits:

- Payment of an annual Life Insurance and Personal Accident Insurance premium (along with the other associated costs);
- Payment of an annual premium for / co-payment of / access to Health Insurance, extendable to spouse and children (along with other associated costs);

- Use of a vehicle, in terms of the culture and practice consistently followed at EDP for service vehicles, which includes, for the members of the Executive Board of Directors, the assignment of a driver, payment of costs and expenses related to the vehicle and its use.

The benefits and rights granted to the members of the Executive Board of Directors under the employment contracts they have entered into with EDP will be suspended during the exercise of their duties as members of the Executive Board of Directors, thus not adding to the benefits and rights above indicated.

The benefits and rights attributed to the members of the Executive Board of Directors under the terms of the Remuneration Policy may, by decision of the Remuneration Committee of the General and Supervisory Board, with a favourable opinion from the Corporate Governance and Sustainability Committee, be adjusted according to the practices market and continued alignment with EDP's general Human Resources policy applicable at any given time, and must be justifiably reported in the first remuneration report that is presented after the aforementioned adjustment.

Pursuant to Article 402 of the Portuguese Companies Code and Article 27(1) of EDP's Articles of Association, the Company may create old-age or disability retirement pension supplements in favour of the members of the Executive Board of Directors. EDP has not created a supplementary retirement pension fund or plan for directors, instead making annual contributions / or co-contributions with the director to a Retirement Savings Plan (PPR) in a net amount corresponding to 10% of the respective remuneration base. The PPR is subscribed by EDP with the insurance company of its choice, indicating the director as an insured person, with EDP's defined contribution paid in 12 monthly instalments. The PPR characteristics will correspond

to the usual characteristics in the market for this type of product, being refundable before the end of the respective term, under the terms legally applicable to these financial products. The PPR currently available to the members of the Executive Board of Directors may, with a favourable opinion from the Remuneration Committee of the General and Supervisory Board, be replaced by unit linked capitalization insurance or equivalent vehicle, depending on the offer and market practices at any given time.

76. Main characteristics of supplementary pension or early retirement schemes for directors and date of approval individually at a General Meeting

As described above, in item 75, and under the terms of the Remuneration Policy approved by the General Shareholders' Meeting held on 14 April 2021, EDP has not created a supplementary retirement pension fund or plan for directors, instead making annual contributions / or co-contributions with the director to a Retirement Savings Plan (PPR) in a net amount corresponding to 10% of the respective remuneration base. The PPR is subscribed by EDP with the insurance company of its choice, indicating the director as an insured person, with EDP's defined contribution paid in 12 monthly instalments.

IV. Disclosure of Remuneration

77. Annual aggregate and individual remuneration paid to the members of the company's managing body by the company, including fixed and variable remuneration and its different components

The gross global amount paid by EDP to the members of the Executive Board of Directors in 2022 was 8,577,244 Euros, of which 4,882,553 Euros refer to the 2021-2023 term of office starting on 19th January 2021 and 3.694.691 Euros regarding the 2018-2020 term.

The table below shows, in Euros, the gross remuneration amounts paid in 2022, individually, to the members of the Executive Board of Directors for the 2018-2020 term:

	GROSS REMUNERATION PAID BY EDP ^(*)	
	VARIÁVEL PLURIANUAL (2019)	TOTAL
António Luís Guerra Nunes Mexia	692,720	692,720
João Manuel Manso Neto	499,428	499,428
António Fernando Melo Martins Costa	382,116	382,116
João Manuel Veríssimo Marques da Cruz	255,262	255,262
Miguel Stilwell de Andrade	508,365	508,365
Miguel Nuno Simões Nunes Ferreira Setas	266,311	266,311
Rui Manuel Rodrigues Lopes Teixeira	257,310	257,310
Maria Teresa Isabel Pereira	412,759	412,759
Vera de Morais Pinto Pereira Carneiro	420,420	420,420

^(*)The remuneration of the members of the Executive Board of Directors includes the amounts related to the Retirement Savings Plan.

The table below shows, in Euros, the gross remuneration amounts paid in 2022, individually, to the members of the Executive Board of Directors in office, for the 2021-2023 term of office, as well as the total gross remuneration amounts paid to each of these members in 2022:

	GROSS REMUNERATION PAID BY EDP ⁽¹⁾			
	FIXED	ANNUAL COMPONENT (2021)	TOTAL (TERM 2021-2023)	TOTAL 2022 (TERMS 2018-2020 AND 2021-2023) ⁽²⁾
Miguel Stilwell de Andrade	941,844	361,760	1,303,604	1,811,969
Miguel Nuno Simões Nunes Ferreira Setas	618,333	245,686	864,019	1,130,330
Rui Manuel Rodrigues Lopes Teixeira	659,291	251,076	910,367	1,167,677
Vera de Moraes Pinto Pereira Carneiro	659,291	240,296	899,587	1,320,007
Ana Paula Garrido de Pina Marques	659,291	245,686	904,977	904,977

⁽¹⁾The remuneration of the members of the Executive Board of Directors includes the amounts related to the Retirement Savings Plan.

⁽²⁾Includes the amounts related to the multi-annual variable remuneration for 2019 identified in the previous table.

78. Amounts paid for any reason by other subsidiary or Group companies or companies under common control

In 2022, no amounts earned by members of the Executive Board of Directors were paid by other companies in a group⁴ or control relationship or that are subject to a common control, in Portugal or abroad

79. Remuneration in the form of profit-sharing and/or payment of bonuses and reasons for these bonuses or profit sharing

EDP has no schemes in place for payment of remuneration in the form of profit-sharing and/or payment of bonuses.

80. Compensation paid or owed to former executive directors for termination in the financial year

For information regarding Item 80, please see Part IV – Remuneration Report

⁴Definition of group within the meaning of paragraph g) of no. 1 of article 2 of Decree-Law no. 158/2009, of 13 July, in accordance with paragraph d) of no. 2 of article 26-G of the Portuguese Securities Code.

81. Annual aggregate and individual remuneration paid to the members of the company's supervisory bodies

1. General and Supervisory Board

The gross global amount paid by EDP to the members of the General and Supervisory Board in 2022 was 2,037,999.64 Euros.

The following table shows the amounts of remuneration paid during the 2022 financial year to members of the General and Supervisory Board in office, for the 2021–2023 term:

GENERAL AND SUPERVISORY BOARD	GROSS FIXED EUROS
João Luís Ramalho de Carvalho Talone	515,000
China Three Gorges Corporation	70,000
China Three Gorges International Limited	70,000
China Three Gorges (Europe), S.A.	90,000
China Three Gorges Brasil Energia, S.A.	90,000
China Three Gorges (Portugal), Sociedade Unipessoal, Lda. ⁽¹⁾	95,000
DRAURSA, S. A.	110,000
Fernando Maria Masaveu Herrero	90,000
João Carvalho das Neves	143,000
María del Carmen Fernández Rozado	115,000
Laurie Lee Fitch	110,000
Esmeralda da Silva Santos Dourado	110,000
Helena Sofia da Silva Borges Salgado Fonseca	115,000
Zili Stephen Shao	90,000
Sandrine Dixson-Declève	90,000
Luís Maria Viana Palha da Silva	95,000

⁽¹⁾ Remuneration paid to the representative Miguel Espregueira Mendes Pereira Leite

2. Other company bodies

Environment and Sustainability Board

Under the terms of the current remuneration policy, approved by the General Shareholders' Meeting on 14 April 2021, the members of the Environment and Sustainability Board are entitled to receive an attendance fee per meeting in the amount of 1,750 Euros.

In the 2022 financial year, the members of the Environment and Sustainability Board earned the remuneration indicated in the following table:

ENVIRONMENT AND SUSTAINABILITY BOARD ⁽¹⁾	GROSS FIXED EUROS
José Manuel Caré Baptista Viegas	1,750
Joana Pinto Balsemão ⁽²⁾	-
Joaquim Manuel Veloso Poças Martins	1,750
Maria Mendiluce	1,750
Pedro Manuel Sousa Mendes Oliveira	1,750

⁽¹⁾ As a result of the activity carried out during 2022, each of the members José Manuel Caré Baptista Viegas, Joaquim Manuel Veloso Poças Martins, Maria Mendiluce and Pedro Manuel Sousa Mendes Oliveira have earned 1,750 Euros in January 2023.

⁽²⁾ Waived the respective remuneration.

Remuneration Committee of the General Meeting

The members of the Remuneration Committee of the General Meeting received, in 2022, the following remunerations:

REMUNERATION COMMITTEE OF THE GENERAL SHAREHOLDERS' MEETING ^(*)	GROSS FIXED EUROS
Luís Miguel Nogueira Freire Cortes Martins	5,000
José Gonçalo Ferreira Maury	5,000
Jaime Amaral Anahory	5,000

^(*) Due to a processing error, in 2021, a payment of EUR 15,000 was advanced to the Chairman and of EUR 10,000 to the two other members of the Remuneration Committee of the General Shareholders' Meeting, amounts that were settled during the 2022 financial year.

82. Remuneration of the Chairman of the General Meeting

The Chairman and Secretary of the General Meeting do not earn any remuneration in that capacity, given that they are remunerated as a member of the General and Supervisory Board and Company Secretary, respectively.

The Vice-Chairman of the General Shareholders' Meeting, elected on 6 April 2022, waived the respective remuneration.

V. Agreements Affecting Remuneration

83. Contractual limitations for compensation payable to directors for dismissal without due cause and their association with the variable component of remuneration.

In addition to the situations reported in the Remuneration Report, there are no contracts in force at EDP that provide for payments in the event of dismissal or termination by agreement of the director's duties.

84. Description and amounts of agreements between the company and members of the managing body and directors, as set out in Article 248-B (3) of the Securities Code, providing for compensation in the event of dismissal without due cause or termination of employment following a change of company control

Under the European Union legislation regarding market abuse, EDP has no directors other than the members of the General and Supervisory Board and of the Executive Board of Directors.

In fact, apart from the members of those bodies, there is no person who has regular access to inside information and

participates in management and business strategy decision of the Company.

On the other hand, it is reiterated that, in addition to the situations reported in the Remuneration Report, there are no agreements in force at EDP that provide for payments in the event of dismissal or termination by agreement of director's duties.

VI. Stock Purchase Option Plans or Stock Options

85. Plan and its beneficiaries

There are no option rights granted for the acquisition of shares (stock options) from which the Company's employees and employees are beneficiaries.

86. Description of the plan (conditions for award, clauses on non-saleability of shares, shares price criteria, price of options in financial year, period in which options can be exercised, characteristics of shares or options, incentives for purchase of shares or exercise of options)

There are no option rights granted for the acquisition of shares (stock options) from which the Company's employees and personnel are beneficiaries.

87. Stock options of company employees

There are no option rights granted for the acquisition of shares (stock options) from which the Company's employees and employees are beneficiaries.

88. Control mechanisms set out in any employee share scheme so that they do not exercise their voting rights directly

The Company has no such control mechanisms.

E. Transactions with Related Parties

I. Mechanisms and Procedures of Control

89. Company mechanisms for monitoring transactions with related parties

As part of its improvement of governance practices, and since 2009, EDP, and in particular the General and Supervisory Board, has been promoting the review of internal regulations that governing transactions with related parties, with a constant search for the adoption of better practices by the Company

To this end, a review of the internal regulations that regulate conflicts of interest and business between related parties was promoted, and, in 2023, the Policy on Transactions with Related Parties came into force, available for consultation on the EDP website: [Transactions with Related Parties Policy | edp.com](https://www.edp.com/Transactions-with-Related-Parties-Policy)

The Financial Matters Committee / Audit Committee is responsible for issuing a reasoned opinion on matters subject to a prior opinion by the General and Supervisory Board, which concern transactions between related parties, supported, whenever applicable, by reasoned opinions from the Risk and Compliance Departments, which must be made known to the General and Supervisory Board.

90. Transactions that underwent controls in the year

Attentive to the current reporting obligations, the Executive Board of Directors, during 2022, submitted to the General and Supervisory Board the information concerning the transactions between related parties. Such information concerned the transactions listed below:

- EDP Group, through EDP Clientes, S.A. provided electricity and gas supply services as well as the installation of solar panels to the company Cementos Tutela Veguín in the amount of approximately 90.8 million Euros (Cementos Tutela Veguín is a subsidiary of the Group Masaveu, which, in turn, holds 55.9% of the company Oppidum Capital, SL);
- As disclosed to the market on 29 July 2022 and on 23 December 2022, EDP agreed to sell to China International Water & Electric Corporation, company that integrates China Three Gorges group, its 50% stake in Hydro Global Investment Limited, with registered office in Hong Kong, for US\$ 68 million;
- Additionally, and as disclosed to the market on 15 November 2021 and on 27 June 2022, EDP, through its subsidiary EDP Renováveis, S.A., sold to China Three Gorges a 100% stake in an operational wind portfolio with 181 MW located in Spain, for an Enterprise Value of 328 million Euros.

The General and Supervisory Board noted that, with basis on the cases analysed and information provided by the Executive Board of Directors for 2022, there was no evidence that the potential conflict of interests in EDP operations were resolved contrarily to the Company's interests.

At the same time, it is important to highlight Article 17(2) of EDP Articles of Association, that defines a number of matters subject to prior opinion from the General and Supervisory Board. This corporate body has competences to set the

parameters for measuring the economic or strategic value of the operations that must be submitted for its opinion, and these were updated by the referred Board on the 13 May 2021.

In this context, in 2022, 8 investment/divestment operations were submitted to the General and Supervisory Board for a prior opinion, with an average amount above 350 million Euros, as well as four financing operations, with the approximate average amount of 1.6 billion Euros

Regarding the use of the expedited mechanism for issuing a prior opinion, two operations were submitted to the General and Supervisory Board for financing reasons and seven operations regarding investments or divestments, with an approximate average amount of 345 million Euros. The Kronos Solar Projects GmbH solar generation portfolio was acquired for the amount of 663 million euros, and was the highest value transaction, approved under this mechanism during 2022.

Also in this context, during the 2022 financial year, seven operations were submitted to the United States of America Business Affairs Monitoring Committee for a prior opinion, with an average value of 385 million dollars, with the maximum value of which was 600 million dollars. Regarding the issuance of a prior opinion by an expedited mechanism, one operation was submitted to the United States of America Business Affairs Monitoring Committee, with a of 247 million dollars.

Regarding transactions analysed by the United States of America Business Affairs Monitoring Committee, none of them had a related party transaction underlying them.

91. Procedures and criteria applicable to the supervisory body's prior assessment of transactions between the company and holders of qualifying shareholdings or entities related to them in any way

The rules in force applicable to the issuance of a prior opinion and to the expedited mechanisms of opinion in urgent cases of the General and Supervisory Board were updated on 13 May 2021, as well as the procedures for communication and provision of clarifications between that corporate body and the Executive Board of Directors.

The Articles of Association of EDP also establish that the General and Supervisory Board should set the parameters for measuring the economic or strategic value of the operations that must be submitted to it for an opinion, as well as establish expedited mechanisms for issuing an opinion in urgent cases or when the nature of the matter justifies it and the situations in which exemption from issuing such an opinion is permitted (Article 21 (7)). In fact, the expedited mechanism for issuing an opinion by the General and Supervisory Board can only occur in situations of exceptional urgency or when the nature of the matter justifies it, as set out in the EDP's Articles of Association and the Internal Regulations of the General and Supervision (Article 15(5)).

With reference to prior opinion mechanism, General and Supervisory Board of EDP established a set of demanding rules regarding the conclusion of business between related parties, aimed at preventing situations of conflict of interests.

In this context, it is important to highlight the provisions of the Transaction with Related Parties Policy – reviewed in January 2023 – regarding the procedures and criteria applicable to the intervention of the supervisory body for prior assessment of the business purposes to be carried out between the Company and holders of qualifying holdings or entities that are in any relationship with them. In particular, in

legal transactions or de facto situations between related parties that are likely to give rise to a conflict of interest between the parties involved, relevant to the pursuit of EDP's interest, together with the request for a prior opinion from the General and Supervisory Board or its waiver, the Executive Board of Directors must provide the following information:

- Summary description of the operations and the responsibilities taken up by the parties;
- Outline of the procedures used to select the counterparty, i.e., whether the operation was based on a call for tenders/market consultation procedure or direct contract award;
- In the event of direct contract award, the reasons for this decision;
- In cases of calls for tenders/market consultation procedures, the type of contact established with the potential interested parties and the identity of those parties;
- In case of competitive tenders, the details of the different tenders and the criteria used for selection;
- The parameter used to check whether the transaction was performed under "normal market conditions for similar operations";
- Measures adopted to prevent, mitigate risks, or solve potential conflicts of interests, namely the issuing of fairness opinions by independent entities prior to taking a decision regarding the performance of a Transaction with a Related Party;
- Indication, if applicable, of the multi-annual nature of the operation, in which case the initial date of the award/contract must be reported, as well as the date on which the supplies and/or services are provided.

With respect to legal business or cases that exist between related parties that are likely to give rise to a conflict of interests between those involved, which could impact the interests of EDP, these should be subject to a preliminary opinion from the General and Supervisory Board:

- if the Financial Matters Committee/Audit Committee can meet before the General and Supervisory Board meeting, an opinion from this Committee should be requested, which should be presented to the General and Supervisory Board for decision-making purposes;
- if it is not possible for the Financial Matters Committee/Audit Committee to meet, the assessment of the potential conflict of interests must be made directly by the General and Supervisory Board within its decision-making authority.

II. Business Information

92. Location of accounting documents providing information on transactions with related parties, pursuant to IAS 24, or reproduction of the information

Information on transactions with related parties, pursuant to IAS 24, is set out in Note 43 of the consolidated and individual financial statements.

PART II

Assessment of Corporate Governance

1. Corporate Governance Code in Effect

EDP – Energias de Portugal, S.A. (EDP) is a listed company whose securities are admitted to trading on the NYSE Euronext Lisbon stock market.

Following the entry into force of the Protocol between the CMVM and the Portuguese Institute for Corporate Governance (*Instituto Português de Corporate Governance* – IPCG), on 13 October 2017, the Corporate Governance Code issued by CMVM was revoked, and changes were made to the Corporate Governance Code issued by the IPCG, available at www.cgov.pt

The choice of EDP to adopt the Corporate Governance Code issued by the IPCG, from the moment it entered into force, and under the current version, reflects the concern of always ensuring the implementation of best corporate governance practices.

According to the CMVM Circular, dated 11 January 2019, this Report is structured in accordance with Article 1(4) of CMVM Regulation 4/2013, and therefore abides by the model in its Annex I, not including the sections not applicable to EDP’s governance model.

2. Compliance assessment of the adopted Corporate Governance Code

The following table sets out IPCG’s corporate governance principles and recommendations as included in the Corporate Governance Code, along with the identification, for each case, of EDP’s compliance or non-compliance with said principles or recommendations or, as the case may be, that the provisions do not apply to the Company. Complimentary information has been included where the description of the Company’s shareholder structure and governance model does not exhaust the scope of the underlying explanation of the respective principles or recommendations.

COMPLIANCE DECLARATION

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
CHAPTER I · GENERAL PROVISIONS			
General Principle: Corporate Governance should promote and enhance the performance of companies, as well as of the capital markets, and strengthen the trust of investors, employees and the general public in the quality and transparency of management and supervision, as well as in the sustained development of the companies.			
I.1. Company’s relationship with investors and disclosure			
Principle: Companies, in particular its directors, should treat shareholders and other investors equitably, namely by ensuring mechanisms and procedures are in place for the suitable management and disclosure of information		Regarding the disclosure of information, it is important to refer the existence of, on one hand, information flow mechanisms and, on the other hand, of corporate bodies and specialized committees purposefully favouring information sharing. On that regard, EDP relies on an information sharing platform between the Executive Board of Directors and the General and Supervisory Board as well as between the Specialized Committees, accessible to all members of such bodies and committees, without prejudice to restrictions on access to information regarding members who are in a situation of conflict of interests. Such information tool allows all members to have knowledge of the most important documents, namely minutes and supporting documents to resolutions. The Executive Board of Directors provides to all other corporate body members all the requested information in a timely and appropriate manner. Furthermore, the Investor Relations Department aims to ensure the communication with analysts and investors of the Group companies in order to	Item 15 | Item 21 | Item 22 | Item 27 | Item 29 | Item 52 | Items 55 to 65
Recommendation I.1.1. The Company should establish mechanisms to ensure, in a suitable and rigorous form, the timely disclosure of information to its governing bodies, shareholders, investors and	Adopted		Item 15 | Item 21 | Item 22 | Item 27 | Item 29 | Item 52 | Items 55 to 65

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
<p>other stakeholders, financial analysts, and to the markets in general.</p>		<p>guarantee the sustainability of the Company’s image and EDP’s notoriety, as well as to answer all information requests of regulatory entities and financial supervisory authorities. Moreover, the Stakeholders and Institutional Relations Department ensures the institutional communication of the Company through an integrated and consistent narrative before the Group’s stakeholders, in line with the adopted vision and strategy in order to maximize the communication potential of the Group towards its stakeholders and to contribute to a fluid and systematized information flow about the Group and its activities. Finally, EDP has established a Corporate Centre that assumes a supporting role to the Executive Board of Directors in the definition and control of the execution of the defined strategies, policies and objectives. The Corporate Centre is organized by Corporate Departments and Business Units, allowing a better optimization and efficiency of the organizational structure.</p>	

I.2. Diversity in the composition and functioning of the company’s governing bodies

<p>Principle I.2.A Companies ensure diversity in the composition of its governing bodies, and the adoption of requirements based on individual merit, in the appointment procedures that are exclusively within the powers of the shareholders.</p>		<p>The respect for diversity within the governing bodies and in the appointment, procedures constitute one of the structuring elements of EDP’s corporate purpose. The Internal Regulations of the corporate bodies, corporate entities and Specialized Committees which form part of EDP’s structure set forth several provisions related to reputation, independence, and incompatibilities applicable to the members of those bodies. Regarding the General and Supervisory Board and the Executive Board of Directors, EDP has a specific policy entitled “Policy on Selection of the Members of the General and Supervisory Board and Executive Board of Directors” according to which the integration of several skills, professional experiences, and knowledge, as well as genre and cultural diversity should always be assured, considering the specificities of the Company’s business. Such policy establishes that the election proposal of any candidate to be submitted to the Shareholders’ General Meeting should be duly substantiated in what concerns the candidate’s profile and function to be performed, so as to enable the shareholders to verify the adequacy of the candidate’s profile, knowledge, and curriculum to the functions to be performed. Under the abovementioned policy, some of the general selection criteria are: (i) promotion of equality of rights and opportunities in a context of diversity; (ii) enhancement of diversity, notably regarding age, gender, geographical origin, skills, competences, qualifications, and experience; (iii) promotion of the increase in the number of members of the under-represented gender; and (iv) prevention of potential conflicts of interest. Said selection policy also foresees the competences that the members of the Executive Board of Directors and of the General and Supervisory Board should possess, among which we highlight the following: (i) technical-professional competences suitable for the function; (ii) integrity, ethics and professional and personal values; (iii) sufficient knowledge of the legal, regulatory and statutory rules applicable to its functions and to the Company; (iv) sufficient availability to comply with the respective legal and statutory functions; (v) fulfilment of the independence requirements established by law and in the Articles of Association; (vi) commitment with the provisions set forth in policies, codes and Internal Regulations of the Company; (vii) commitment towards compliance with the best corporate governance practices; (viii) competences and experience in company management, risk management and supervision suitable for the function and (ix) industry knowledge and experience in the sector. In particular, regarding gender diversity, it is convened by compliance with Law 62/2017, of 1 August, related to the balanced representation between men and women in governing and supervisory bodies in public sector entities and listed companies. Furthermore, EDP has a diversity policy according to which it undertakes to (i) promote mutual respect and equal opportunity, (ii) acknowledge the differences as a source of strengthening human potential and valuing diversity in organizing, managing and in the strategy, and (iii) adopt positive discrimination and awareness measures, not only internally but also towards the community in order to have an effective and efficient implementation of the diversity policy. Under the terms of Law no. 62/2017, of 1</p>	<p>Items 11 | Items 15 to 17 and 30 to 33 | Annex I</p>
<p>Principle I.2.B Companies should be provided with clear and transparent decision structures and ensure a maximum effectiveness of the functioning of their governing bodies and commissions.</p>			<p>Item 21 | Items 27 to 31</p>
<p>Principle I.2.C Companies ensure that the functioning of their bodies and committees is duly recorded, namely in minutes, to allow an understanding not only of the meaning of the decisions taken, but also of their grounds and opinions expressed by their members.</p>			<p>Item 23 | Item 27 | Item 35</p>
<p>Recommendation I.2.1. Companies should establish standards and requirements regarding the profile of new members of their governing bodies, which are suitable according to the roles to be carried out. Besides individual attributes (such as competence, independence, integrity, availability, and experience), these profiles should take into consideration general diversity requirements, with particular attention to gender diversity, which may contribute to a better performance of the governing body and to the balance of its composition.</p>	<p>Adopted</p>		<p>Items 11 | Items 15 to 17 | Items 30 to 33 | Annex I</p>

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION																																								
<p>Recommendation 1.2.2. The company's managing [1.2.2.(1)] and supervisory boards [1.2.2.(2)], as well as their committees [1.2.2.(3)], should have internal regulations — namely regulating the performance of their duties, their Chairmanship, periodicity of meetings, their functioning, and the duties of their members — disclosed in full on the company's website. Minutes [1.2.2.(4)] / [1.2.2.(5)] / [1.2.2.(6)] of the meetings of each of these bodies should be drawn out.</p>	<p>Adopted</p>	<p>August, and in full compliance with applicable law, EDP shareholders have resolved on 5 April 2018 to appoint new members of the management and supervisory bodies of the Company for the 2018–2020 triennium, in a way that safeguards a 20% representation of persons of each sex in the Executive Board of Directors and the General and Supervisory Board. The members of the Executive Board of Directors for the 2021–2023 triennium were appointed at the Extraordinary General Shareholders Meeting held on 19 January 2021, with representation at that body now standing at 40%, above legal requirements.</p> <p>At the General Shareholders' Meeting held on 14 April 2021, the members of the General and Supervisory Board were elected and therefore the representativeness of this body is also higher than that provided for in the applicable legislation. As set out in EDP's Gender Equality Policy, updated for the 2021–2022 period, available at www.edp.com and at www.cmvm.pt, gender equality is of civilizational importance, as a corollary of the equality of rights, freedoms, guarantees, opportunities and recognition between genders. It also enables the enhancement of skills and knowledge through the inclusion of all, promoting a better and more motivating work environment and, consequently, greater levels of productivity and retention of talent.</p> <p>The General and Supervisory Board, the Executive Board of Directors, the Financial Matters Committee / Audit Committee (FMC/AC), the Corporate Governance and Sustainability Committee (CGSC), the Remuneration Committee (RC) and the United States of America Business Affairs Monitoring Committee (BAMC) have specific Internal Regulations that establish its functioning (in particular the exercise of the respective duties, chairmanship, periodicity of meetings, functioning, duties of their members and duty to draft detailed minutes of the respective meetings). In relation to the applicable specific articles, please see the chart below:</p> <table border="0" data-bbox="958 906 1478 1441"> <tr> <td colspan="2">Internal Regulation EBD [1.2.2 (1)]</td> </tr> <tr> <td>Duties</td> <td>4.^o</td> </tr> <tr> <td>Chairmanship</td> <td>5.^o</td> </tr> <tr> <td>Periodicity of meetings</td> <td>8.^o</td> </tr> <tr> <td>Functioning</td> <td>8.^o</td> </tr> <tr> <td>Duties of their members</td> <td>2.^o, 4.^o and 7.^o</td> </tr> <tr> <td>Duty to draft Minutes</td> <td>10.^o [1.2.2 (4)]</td> </tr> <tr> <td colspan="2">Internal Regulation GSB [1.2.2 (2)]</td> </tr> <tr> <td>Duties</td> <td>2.^o</td> </tr> <tr> <td>Chairmanship</td> <td>5.^o</td> </tr> <tr> <td>Periodicity of meetings</td> <td>4.^o</td> </tr> <tr> <td>Functioning</td> <td>4.^o</td> </tr> <tr> <td>Duties of their members</td> <td>11.^o</td> </tr> <tr> <td>Duty to draft Minutes</td> <td>26.^o [1.2.2 (5)]</td> </tr> <tr> <td colspan="2">Internal Regulation FMC/AC [1.2.2 (3)]</td> </tr> <tr> <td>Duties</td> <td>2.^o</td> </tr> <tr> <td>Chairmanship</td> <td>5.^o</td> </tr> <tr> <td>Periodicity of meetings</td> <td>4.^o</td> </tr> <tr> <td>Functioning</td> <td>4.^o</td> </tr> <tr> <td>Duties of their members</td> <td>10.^o</td> </tr> </table>	Internal Regulation EBD [1.2.2 (1)]		Duties	4. ^o	Chairmanship	5. ^o	Periodicity of meetings	8. ^o	Functioning	8. ^o	Duties of their members	2. ^o , 4. ^o and 7. ^o	Duty to draft Minutes	10. ^o [1.2.2 (4)]	Internal Regulation GSB [1.2.2 (2)]		Duties	2. ^o	Chairmanship	5. ^o	Periodicity of meetings	4. ^o	Functioning	4. ^o	Duties of their members	11. ^o	Duty to draft Minutes	26. ^o [1.2.2 (5)]	Internal Regulation FMC/AC [1.2.2 (3)]		Duties	2. ^o	Chairmanship	5. ^o	Periodicity of meetings	4. ^o	Functioning	4. ^o	Duties of their members	10. ^o	<p>Items 22 and 23 Items 27 to 29 Item 34 Item 61</p>
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PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
		Duty to draft Minutes 4. ^º [I.2.2 (6)] Internal Regulation RC [I.2.2 (3)] Duties 2. ^º Chairmanship 5. ^º Periodicity of meetings 4. ^º Functioning 4. ^º Duties of their members 10. ^º Duty to draft Minutes 4. ^º [I.2.2 (6)] Internal Regulation CGSC [I.2.2 (3)] Duties 2. ^º Chairmanship 5. ^º Periodicity of meetings 4. ^º Functioning 4. ^º Duties of their members 10. ^º Duty to draft Minutes 4. ^º [I.2.2 (6)] Internal Regulation BAMC [I.2.2 (3)] Duties 2. ^º Chairmanship 5. ^º Periodicity of meetings 4. ^º Functioning 4. ^º Duties of their members 9. ^º Duty to draft Minutes 4. ^º [I.2.2 (6)]	
Recommendation I.2.3. The composition [I.2.3.(1)] and the number of annual meetings [I.2.3.(2)] of the managing and supervisory bodies, as well as of their committees, should be disclosed on the company's website.	Adopted	[I.2.3.(1)] Governing Bodies [I.2.3.(2)] This information is made available at EDP's website , is disclosed at EDP's Annual Report as well as on the General and Supervisory Board Annual Report.	Item 59 | Annex V
Recommendation I.2.4. A policy for the communication of irregularities (whistleblowing) should be adopted that guarantees the suitable means of communication and treatment of those irregularities, with the safeguarding of the confidentiality of the information transmitted and the identity of its provider, whenever such confidentiality is requested.	Adopted	EDP has had a policy for the communication of irregularities since 2006. In 2022, and following the entry into force of Law 93/2021 of 20 December, which transposes Directive (EU) 2019/1937, EDP reformulated its whistleblowing channels with a view to structuring an Integrated Whistleblowing Management System. To this end, EDP adopted a technological platform common to all complaint channels, which safeguards the segregation of information of each channel. Also in 2022, EDP approved the Whistleblowing Management Regulation Speak Up that sets forth reception mechanisms and procedures, irregularities communication retention and processing on several matters received by the Company on alleged unethical behaviour that does not comply with the law and internal regulations in force. Under the terms of this Regulation, the communication of irregularities is handled as confidential information by all those who receive information on the reported facts and the anonymity of the whistleblower is assured, if he/she so requests. Further information is available at Speak Up Channel and Whistleblowing Management Regulation . In 2021, the Integrity Policy as well as the remaining procedures and compliance mechanisms associated to this program where the object of training directed at the employees and have been internally disclosed for review in EDP's internal communication channels. Within the scope of the Anti-Money Laundering and Terrorist Financing Compliance Program, obliged entities have	Item 15 | Item 49 | Items 50 to 55

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
<p>implemented specific internal regulations and a horizontal procedure for the communication of suspicious operations. This Speak Up Channel, which was initially set up in 2006 (as Irregularities Communication Channel) to enable the reporting of potential financial irregularities, has been restructured in 2022 and ensure the possibility of reporting potential violations related to money laundering and terrorist financing. Further information: Anti-Money Laundering (AML) Reporting Channel.</p>			
<p>I.3. Relationships between the company bodies</p>			
<p>Principle: Members of the company's boards, especially directors, should create, considering the duties of each of the boards, the appropriate conditions to ensure balanced and efficient measures to allow for the different governing bodies of the company to act in a harmonious and coordinated way, in possession of the suitable amount of information to carry out their respective duties.</p>		<p>EDP's Article of Association expressly set forth that all corporate bodies of the Company should, to the extent of their competences, create the necessary conditions for a harmonious, articulated and informed performance of their duties, with reporting and information sharing mechanisms implemented in accordance with recommendation I.1.1. In addition, the Internal Regulations of the General and Supervisory Board, the Executive Board of Directors and of the specialized committees contain several provisions that set forth the need to report, namely to supervisory bodies, information regarding annual activity plans, resolutions and minutes.</p>	<p>Items 21 to 45</p>
<p>Recommendation I.3.1. The bylaws, or other equivalent means adopted by the company, should establish mechanisms that, within the limits of applicable laws, permanently ensure the members of the managing and supervisory boards are provided with access to all the information and company's collaborators, in order to appraise the performance, current situation and perspectives for further developments of the company, namely including minutes, documents supporting decisions that have been taken, calls for meetings, and the archive of the meetings of the managing board, without impairing the access to any other documents or people that may be requested for information.</p>	<p>Adopted</p>	<p>This recommendation is also complied with considering article 5 of the Internal Regulation of the Executive Board of Directors. Currently, EDP also has an internal instrument that systematizes the operating principles and rules to be observed in the interaction of the Executive Board of Directors with the General and Supervisory Board, developing the legal framework, the Articles of Association and the Internal applicable to such matters.</p>	<p>Items 21 to 45</p>
<p>Recommendation I.3.2. Each of the company's boards and committees should ensure the timely and suitable flow of information, especially regarding the respective calls for meetings and minutes, necessary for the exercise of the competences, determined by law and the bylaws, of each of the remaining boards and committees.</p>	<p>Adopted</p>	<p>All Internal Regulations set forth reporting and information sharing mechanisms. In particular, it should be highlighted the relevance of the information sharing platform between the General and Supervisory Board and the Executive Board of Directors. Regarding the applicable provisions, one should highlight:</p> <ul style="list-style-type: none"> - Articles of Association: Article 22 (1) (L); - Internal Regulation of the Executive Board of Directors: Articles 5 (1) (e) and 10 (4); - Internal Regulation of the General and Supervisory Board: Article 5 (c) and (e), and Article 11 (1) (a); Article 14 and Article 17; - Internal Regulation of the Financial Matters / Audit Committee: Article 5 (1) (f), Article 10 (1) (a) and Article 13; - Internal Regulation of the Remuneration Committee: Article 5 (1) (d); Article 10 (1) (a) and (2); - Internal Regulation of the Corporate Governance and Sustainability Committee: Article 5 (e); Article 10 (1) (a), (2), and (3) (c); Articles 12 and 13; 	<p>Items 21 to 45</p>

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
<p>- Internal Regulation of the United States of America (USA) Business Affairs Monitoring Committee: Article 5 (d); article 9 (1) (a).</p>			
<p>I.4. Conflict of interests</p>			
<p>Principle: The existence of current or potential conflicts of interest, between members of the company's boards or committees and the company, should be prevented. The non-interference of the conflicted member in the decision process should be guaranteed.</p>		<p>Since 17 May 2010, EDP has implemented rules on identification, internal reporting and actions to be carried out should a case of conflict of interests occur. This Regulation is applicable to all EDP Group employees that have a decision-making role on the completion of a transaction with related parties. In 2021, and with the review of internal regulations, the Transaction with Related Parties Policy came into force, aiming to establish general principles of action and reporting in order to identify, prevent, detect and settle situations of conflicts of interest in Related Party Transactions, which was revised in January 2023. In addition, it aims to contribute to the promotion of ethics and integrity in the development of the business of EDP and other companies and/or entities forming part of the EDP Group, ensuring compliance with legislation and the principles and rules laid down.</p>	<p>Item 10 | Item 18 | Item 20 | Item 21 | Item 91</p>
<p>Recommendation I.4.1. The members of the managing and supervisory boards and the internal committees are bound, by internal regulation or equivalent, to inform the respective board or committee whenever there are facts that may constitute or give rise to a conflict between their interests and the company's interest.</p>	<p>Adopted</p>	<p>The Internal Regulations of EDP's bodies and committees set forth provisions by which the members of such bodies and committees should inform the respective body or committee on facts that could constitute or give cause to a conflict between his/hers interests and the corporate interest, the communication of a conflict of interest occurs whenever there are facts that may constitute or give rise to it, and not limited to the deliberative context. All corporate bodies and Specialized Committees' Internal Regulations set forth a specific provision on the conduct to be adopted by the respective body or committee member in case of an effective or apparent conflict of interests, as well as a duty to provide information or clarifications. The respective articles that specifically set forth this recommendation are the following:</p>	<p>Item 10 | Item 18 | Item 20 | Item 21 | Item 91</p>
<p>Recommendation I.4.2. Procedures should be adopted to guarantee that the member in conflict does not interfere in the decision-making process, without prejudice to the duty to provide information and other clarifications that the board, the committee or their respective members may request.</p>	<p>Adopted</p>	<ul style="list-style-type: none"> - Internal Regulation GSB: Article 10 - Internal Regulation EBD: Article 6 - Internal Regulation FMC/AC: Article 9 - Internal Regulation RC: Article 9 - Internal Regulation CGSC: Article 9 - Internal Regulation BAMC: Article 8 	<p>Item 10 | Item 18 | Item 20 | Item 21 | Item 91</p>
<p>I.5. Related party transactions</p>			
<p>Principle: Due to the potential risks that they may hold, transactions with related parties should be justified by the interest of the company and carried out under market conditions, subject to principles of transparency and adequate supervision.</p>		<p>Regarding this matter, in addition to the legal and statutory provisions, there is an internal regulation on conflicts of interest and transactions with related parties, reviewed in January 2023 – Transactions with Related Parties Policy – which is available for consultation at EDP's website.</p>	<p>Item 10 | Items 89 to 92</p>
<p>Recommendation I.5.1. The managing body should disclose in the corporate governance report or by other means publicly available the internal procedure for verifying transactions with related parties.</p>	<p>Adopted</p>	<p>Under the terms of EDP's Articles of Association and the applicable law, the Executive Board of Directors is responsible for the management of the Company and for transaction with related parties purposes, are deemed decision-makers: (i) the members of EDP's corporate bodies and its Subsidiaries Companies; (ii) first-line managers of the EDP Corporate Centre reporting directly to the management; (iii) first-line managers of the company controlled by EDP who report directly to the management within the scope of the activity of that company or of a company under its Control; (iv) EDP employees, regardless of their labour contract, who may individually perform acts in the amount equal to or greater than EUR 100,000, as a result of the respective delegations of powers or in accordance with the limits arising from the respective established legal relationships; (v) whenever the EBD expressly qualifies EDP Group employees as decision-makers, indicating the respective scope of activity. All decision-making persons should therefore report any information deemed relevant over transactions performed or to be performed with related parties, namely with</p>	<p>Item 10 | Items 89 to 92</p>

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
		<p>controlled companies or with the own decision-makers. There are also identified in Transaction with Related Parties Policy, transactions of significant relevance, specifying the type and scope of the transactions subject to prior opinion. Furthermore, article 17 (2) of EDP's Articles of Association sets forth a range of matters subject to favourable prior opinion of the General and Supervisory Board, with the Board retaining power to set the parameters, in terms of economic or strategic value of the transactions, that should be subject to opinion, namely regarding acquisitions and disposals of goods, rights or shareholdings of a significant amount, under the terms of article 21(7) of EDP's Articles of Association and article 15 of the General and Supervisory Board Internal Regulation. The General and Supervisory Board is responsible for, under the scope of the annual and interim management EDP report assessment and taking into consideration the activity performed by the Financial Matters Committee/Audit Committee, analyse, and issue an opinion regarding transactions with related parties. In effect, the General and Supervisory Board contains a Specialized Committee, the Financial Matters Committee/Audit Committee, whose attributions include reviewing related party transactions. Its Internal Regulation clarifies that the final decision is up to the General and Supervisory Board, in accordance with article 12 (1) (i). Furthermore, the Corporate Governance and Sustainability Committee is responsible for monitoring and supervising the systems for evaluating and resolving conflicts of interest, namely regarding the Company's relations with shareholders, by analysing the proposed remedies for situations that reported to it by the Committee by the Financial Matters Committee/Audit Committee. EDP also displays a set of rules on the issuance of prior opinion by the General and Supervisory Board, as well as the communication procedures between the General and Supervisory Board and the Executive Board of Directors. In addition, the Executive Board of Directors should, within 20 (twenty) days of the end of each quarter, inform the General and Supervisory Board of all "significant transactions", being set forth in the respective policy the elements that should be submitted on such communication (see Article 22 (1) (l) of the Articles of Association and article 14 (1) (k) of the General and Supervisory Board Internal Regulation). The General and Supervisory Board intervention in the assessment made to such transaction is always preceded of the analysis and scrutiny of the Executive Board of Directors. Also, under the terms of the Internal Regulation in force regarding this matter, the General and Supervisory Board and, more specifically, the Financial Matters Committee/Audit Committee analyses all transactions between EDP and subsidiaries in the amount equal or superior to: (i) EUR 75M, for subordinated and standard loans; (ii) EUR 75M for purchase, sale, marketing or supply of electricity and natural gas (and connected products and services) and (iii) EUR 5M for all other transactions.</p>	

Recommendation I.5.2.

The managing body should report to the supervisory body the results of the internal procedure for verifying transactions with related parties, including the transactions under analysis, at least every six months.

adopted

For Transaction with Related Parties Policy purposes, the Executive Board of Directors should inform the General and Supervisory Board, within 20 (twenty) days after the end of each quarter, of all transactions that constitute relevant situations.

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CHAPTER II – SHAREHOLDERS AND GENERAL MEETINGS

Principle II.A

As an instrument for the efficient functioning of the company and the fulfilment of the corporate purpose of the company, the suitable involvement of the

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PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
shareholders in matters of corporate governance is a positive factor for the company's governance.			
Principle II.B The company should stimulate the personal participation of shareholders in general meetings, which is a space for communication by the shareholders with the company's boards and committees and also of reflection about the company itself.			Item 5 | Item 6 | Item 7 | Item 10 | Items 12 to 16 | Item 56
Principle II.C The company should implement adequate means for the participation and remote voting by shareholders in meetings.			Item 5 | Item 6 | Item 7 | Item 10 | Items 12 to 16 | Item 56
Recommendation II.1. The company should not set an excessively high number of shares to confer voting rights [II.1.(1)], and it should make its choice clear in the corporate governance report every time its choice entails a diversion from the general rule: that each share has a corresponding vote [II.1.(2)].	Adopted	[II.1.(1)] EDP establishes in Article 14 (1) and (2) of its Articles of Association that to each share corresponds one vote and that all shareholders with voting rights may participate in the Shareholders' General Meeting provided that they have such capacity on registration date. [II.1.(2)] - Not applicable.	Item 5 | Item 6 | Item 7 | Item 10 | Items 12 to 16 | Item 56
Recommendation II.2. The company should not adopt mechanisms that make decision making by its shareholders (resolutions) more difficult, specifically, by setting a quorum higher than that established by law.	Adopted	Article 11 (3) of EDP's Articles of Association establishes that Shareholders' General Meeting resolutions are adopted by a majority of voting cast, unless a legal or statutory provision requires a qualified majority.	Item 5 | Item 6 | Item 7 | Item 10 | Items 12 to 16 | Item 56
Recommendation II.3. The company should implement adequate means for the participation and remote voting by shareholders in meetings.	Adopted	While EDP has always favoured maximizing shareholder participation in general meetings, which entails direct interaction with the holders of its share capital, which constitutes a positive factor for the proximity with its shareholding structure, for the efficient functioning of the Company and for the pursuit of its corporate purpose, the COVID-19 pandemic context has inevitably altered that understanding. EDP has held three General Shareholder Meetings in a state of emergency, in 16 April 2020, in 19 January 2021 and in 14 April 2021, and this has required the implementation of procedures to allow the meetings to take place remotely, as per the convening notices available at General Shareholders' Meetings edp.com The quorum in the aforementioned Annual and Extraordinary General Shareholders' Meetings were respectively of 67,3% in April 2020, of 73,9068% in January 2021 and of 74.415 in April 2021. Due to these exceptional circumstances, all voting rights were exercised remotely, either by post or by electronic means, as provided in Article 384(8) and (9) of the Portuguese Companies Code, Article 22 of the Portuguese Securities Code, and in Article 14(6) and (8) of EDP's Articles of Association. Holding the General Shareholders' Meeting remotely has allowed all duly registered Shareholders to access the live audio and video feed of the meeting. To that effect, a hyperlink to a digital platform was sent the day prior to the meeting to the registered e-mail address of each shareholder who had communicated its intent to attend.	Item 5 Item 6 Item 7 Item 10 Items 12 to 16 Item 56

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<p>Recommendation II.4. The company should also implement adequate means for the exercise of remote voting, including by correspondence and electronic means.</p>	<p>Adopted</p>	<p>Besides being able to ask questions in writing, through the platform, about the topics included in the Agenda which warranted clarification during the meeting, shareholders were allowed to submit questions in advance, up to two days prior to the respective General Shareholder Meeting dates. In the Extraordinary General Shareholders' Meeting held on 19 January 2021 and the Annual General Shareholders' Meeting held on 14 April 2021, and in order to allow for the complete clarification of the shareholder's questions before they exercised their voting rights – without prejudice to the timely disclosure of documents supplementing the Agenda and the abovementioned alternative, shareholders were allowed to submit questions within the scope of information rights as foreseen in Article 290 of the Portuguese Companies Code, up to 8 (eight) days before the meeting, so that shareholders have all the questions they had before the exercise of voting rights were fully clarified. At the General Shareholders' Meeting held on 6 April 2022, EDP implemented a hybrid model, giving shareholders the option to participate in the General Shareholders' Meeting in person or by telematic means.</p> <p>EDP's Articles of Association enable the exercise of voting rights by post (Article 14 (6)), they also, on the other hand, determine the procedure for the exercise of postal vote, including by electronic means, in accordance with requirements that ensure its authenticity (Article 14 (6) to (8)). At EDP's website shareholders may find the necessary drafts for postal and e-mail voting. Due to the abovementioned exceptional circumstances, all voting rights in the General Shareholder Meetings held in April 2020 and January and April 2021 were exercised remotely, either by post or by electronic means, as provided in Article 384(8) and (9) of the Portuguese Companies Code, Article 22 of the Portuguese Securities Code, and in Article 14(6) and (8) of EDP's Articles of Association. Holding the General Shareholder Meeting remotely has allowed all duly registered Shareholders to access the live audio and video feed of the meeting. EDP has been actively seeking technological solutions that are safe and ensure audio quality, transparency and voting secrecy, which are compatible with the Portuguese legal framework, in order to implement real-time electronic voting.</p>	<p>Item 5 Item 6 Item 7 Item 10 Items 12 to 16 Item 56</p>
<p>Recommendation II.5. The bylaws, which specify the limitation of the number of votes that can be held or exercised by a sole shareholder, individually or in coordination with other shareholders, should equally provide that, at least every 5 years, the amendment or maintenance of this rule will be subject to a shareholder resolution – without increased quorum in comparison to the legally established – and in that resolution, all votes cast will be counted without observation of the imposed limits.</p>	<p>Not adopted</p>	<p>Considering the current shareholder structure of the Company, this recommendation does not have any practical applicability. However, over the past few years, the subject of statutory limitation on voting rights has already been discussed by the General Shareholders Meeting of EDP on three occasions, the last of which on 24 April 2019. The shareholders have thus been called on to decide on limiting the number of votes. The continued existence of the limitation has prevailed, and the reflection on the adjustment of the relevant ceiling for counting voting rights has been precisely to progressively increase this level. The shareholding dynamics of the Company has thus proven to be perfectly in tune with the sense advocated in this recommendation, and to be sufficiently apt for pursuing its goals, avoiding rigid formulas for this review set down in the Articles of Association, which has also fostered a particularly intense scrutiny of this clause by shareholders, and does not constitute an impediment to adequate functioning of the market for corporate control. These circumstances confirm that the voting cap does not prevent the relevant shareholders' involvement in EDP's corporate governance, again bearing in mind that three resolutions of the General Shareholders' Meeting have been adopted, from 2011 to 2019, regarding this statutory limitation. In effect, the voting limitation set forth in article 14 of the Articles of Association reflects the express wish of EDP's shareholders through the General Meeting resolutions, in the defense of the Company's specific interests: (i) the increase of the limit from 5% to 20% was approved by the shareholders at the General Meeting of 25 August 2011, involving the participation of 72.25% of the share capital and the approval of a majority of 94.16% of the votes cast; (ii) a subsequent increase to the current 25% cap was approved at the General Meeting of 20 February 2012, involving the</p>	

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
<p>Recommendation II.6. The company should not adopt mechanisms that imply payments or assumption of fees in the case of the transfer of control or the change in the composition of the managing body, and which are likely to harm the free transferability of shares and a shareholder assessment of the performance of the members of the managing body.</p>	<p>Adopted</p>	<p>participation of 71.51% of the share capital and the approval by a majority of 89.65% of votes cast and (iii) the removal of the voting cap set out in the Articles of Association was rejected by a majority of 56.61% of votes cast, with the participation of 64.29% of the share capital.</p> <p>As provided for in EDP's Corporate Governance Manual, there are no known measures in place that prevent free transmission of shares and free performance assessment of the members of the Executive Board of Directors. Identically, EDP has not entered into any significant agreements that come into force, are amended or terminate in the event of a change in control of the Company following a takeover bid, except for normal market practice in terms of debt issuance. In fact, EDP is usually a party in financing agreements and issuer of bonds that include change of control clauses, which are typical set forth in such agreements and securities and are necessary for the completion of transactions, not considering that its existence is likely to harm the economic interest in the transfer of EDP shares, nor the free assessment by shareholders of the directors' performance. Additionally, with regard to measures adopted that determine payments or the assumption of costs by the company in the event of a change in the composition of the management body, and in addition to the situations referred in the Remuneration Report, there are no contracts in force at EDP that provide for payments in the event of dismissal or termination by agreement of the director's duties, nor any other measures that determine the assumption of liabilities by EDP in the event of a change in the composition of the management body.</p>	<p>Items 4 and 5 | Remuneration Report</p>
<p>CHAPTER III – NON-EXECUTIVE MANAGEMENT, MONITORING AND SUPERVISION</p>			
<p>Principle III.A The members of governing bodies who possess non-executive management duties or monitoring and supervisory duties should, in an effective and judicious manner, carry out monitoring duties and incentivize executive management for the full accomplishment of the corporate purpose, and such performance should be complemented by committees for areas that are central to corporate governance.</p>			<p>Items 15 to 19 | Item 21 | Item 29</p>
<p>Principle III.B The composition of the supervisory body and the non-executive directors should provide the company with a balanced and suitable diversity of skills, knowledge, and professional experience.</p>		<p>The election proposal of any candidate of the General and Supervisory Board and of the Executive Board of Directors to be submitted to the General Shareholder Meeting should be duly substantiated, considering the candidate's profile and function to be performed so as to enable the verification of the adequacy of the candidate's profile, knowledge and curriculum. Among the established criteria are (i) the promotion of equality of rights and opportunities in a context of diversity; (ii) the enhancement of diversity, notably in matters of age, gender, geographical origin, skills, competences, qualifications and experience; (iii) the promotion of the increase in the number of members of the under-represented gender; (iv) prevention of potential conflicts of interest. As provided in recommendation I.2.1, a selection policy is in force which sets forth specifically the skills that the members of such bodies should possess.</p>	<p>Item 21 | Item 29 | Item 31 | Item 68</p>
<p>Principle III.C The supervisory body should carry out a permanent oversight of the company's managing body, also in a preventive perspective, following the company's</p>			<p>Items 15 to 19 | Item 21 | Item 29</p>

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
activity and, in particular, the decisions of fundamental importance.			
Recommendation III.1. Without prejudice to the legal powers of the chair of the managing body, if he or she is not independent, the independent directors should appoint a coordinator, from amongst them, namely, to: (i) act, when necessary, as an interlocutor near the chair of the board of directors and other directors, (ii) make sure there are the necessary conditions and means to carry out their functions; and (iii) coordinate the independent directors in the assessment of the performance of the managing body, as established in recommendation V.1.1.	Not Applicable	This recommendation is not applicable considering the Company's governance model in force.	
Recommendation III.2. The number of non-executive members in the managing body [III.2.(1)], as well as the number of members of the supervisory body [III.2.(2)] and the number of the members of the committee for financial matters [III.2.(3)] should be suitable for the size of the company and the complexity of the risks intrinsic to its activity, but sufficient to ensure, with efficiency, the duties which they have been attributed. The formation of such suitability judgment should be included in the corporate governance report.	Adopted	[III.2(1)] This sub-recommendation is not applicable in light of the governance model in force at the Company. [III.2.(2)] The General and Supervisory Board is composed of a minimum of nine members, but always higher than the number of directors, under Article 21 (1) of the Articles of Association. [III.2.(3)] The Financial Matters Committee / Audit Committee should be composed by at least three independent members according to Article 3 of the Financial Matters Committee / Audit Committee Internal Regulation, which is entirely proportional to the Company's features.	Item 15 | 17 | Item 21 | Item 29 |
Recommendation III.3. In any case, the number of non-executive directors should be higher than the number of executive directors.	Not applicable	This recommendation is not applicable considering the Company's governance model in force.	
Recommendation III.4. Each company should include several non-executive directors that corresponds to no less than one third, but always plural, who satisfy the legal requirements of independence. For the purposes of this recommendation, an independent person is one who is not associated with any specific group of interest of the company, nor under any circumstance likely to affect his/her impartiality of analysis or decision, namely due to: i. having carried out functions in any of the company's bodies for more than twelve years, either on a consecutive or non-consecutive basis;	Not applicable	This recommendation is not applicable considering the Company's governance model in force.	

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
<p>ii. having been a prior staff member of the company or of a company which is considered to be in a controlling or group relationship with the company in the last three years;</p> <p>iii. having, in the last three years, provided services or established a significant business relationship with the company or a company which is considered to be in a controlling or group relationship, either directly or as a shareholder, director, manager or officer of the legal person;</p> <p>iv. having been a beneficiary of remuneration paid by the company or by a company which is considered to be in a controlling or group relationship other than the remuneration resulting from the exercise of a director's duties;</p> <p>v. having lived in a non-marital partnership or having been the spouse, relative or any first degree next of kin up to and including the third degree of collateral affinity of company directors or of natural persons who are direct or indirect holders of qualifying holdings, or</p> <p>vi. having been a qualified holder or representative of a shareholder of qualifying holding.</p>			
<p>Recommendation III.5. The provisions of (i) of recommendation III.4 does not inhibit the qualification of a new director as independent if, between the termination of his/her functions in any of the company's bodies and the new appointment, a period of 3 years has elapsed (cooling-off period).</p>	<p>Not applicable</p>	<p>This recommendation is not applicable considering the Company's governance model in force.</p>	
<p>Recommendation III.6. The supervisory body, in observance of the powers conferred to it by law, should assess and give its opinion on the strategic lines [III.6.(1)] and the risk policy prior to its final approval by the management body [III.6.(2)].</p>	<p>Adopted</p>	<p>EDP's current governance model foresees the attribution to the General and Supervisory Board of a significant function in this respect. While it does not have managerial attributes, as provided in Article 422(1) of the Portuguese Companies Code, Article 17(2) of EPD's Articles of Association provides (as does Article 15 of the Internal Regulation of the General and Supervisory Board) that the Company's strategic plan as well as the performance, by EDP or any of its subsidiaries, of the following transactions are subject to prior favourable opinion of this body: (i) acquisition and sale of assets, rights or shareholdings of significant economic value, (ii) contracting financing operations of significant value, (iii) the opening and closure of establishments, or important parts thereof, and important increases or reductions in activity, (iv) other transactions or operations of significant economic or strategic value, (v) the commencement or termination of strategic partnerships or other forms of lasting cooperation, (vi) plans for divisions, mergers or transformations, and (vii) changes to the EDP's Articles of Association, including moving the head office and increasing the share capital proposed by the Executive Board of Directors. Also relevant are the specific attributions of the Financial Matters Committee / Audit Committee regarding financial and accounting matters,</p>	<p>Item 21 Item 24 Item 29 Items 49 to 55</p>

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<p>Recommendation III.7. Companies should have specialized committees, separately or cumulatively, on matters related to corporate governance [III.7.(1)], appointments [III.7.(2)], and performance assessment [III.7.(3)]. In the event that the remuneration committee provided for in article 399 of the Commercial Companies Code has been created and should this not be prohibited by law, this recommendation may be fulfilled by conferring competence on such committee in the aforementioned matters</p>	<p>Adopted</p>	<p>internal auditing practices and procedures, the functioning of the Internal Control System of Financial Reporting (SCIRF), matters relating to risk management procedures and compliance mechanisms, as well as the work and independence of the Company's statutory auditors. The Financial Matters Committee/Audit Committee is responsible for monitoring, on a permanent basis, the assessment of internal procedures regarding the effectiveness of the risk management system, internal control and internal audit systems, and must evaluate and comment on the strategic lines and policy of the EDP Group's corporate risk management prior to the respective final approval by the Executive Board of Directors, under the terms of article 12 (2) (i) of the Internal Regulation of the FMC/AUDC. The General and Supervisory Board is also involved in the EDP Group's Business Plan, implicitly ensuring an alignment between management and shareholders with regard to the Group's risk appetite. Key risk indicators are also regularly reported to the General and Supervisory Board, in line with performance metrics and which allow this body to monitor the evolution of the Company's risk profile.</p> <p>[III.7(3)] The Remuneration Committee elected by the General Meeting (CVEN AG) is responsible for submitting a proposal for a remuneration policy for the members of the General and Supervisory Board, the members of the Board of the General Meeting, the ROC and the members of the Environment and Sustainability Board. One of the guiding principles of CVEN AG's activity is based on the definition of a simple, clear, transparent policy in line with EDP's culture, so that the remuneration practice can be based on uniform, consistent, fair, and balanced criteria. In this context, the remuneration policy proposed by CVEN AG aims to ensure levels of homogeneity and stability compatible not only with the necessary cohesion of the governing bodies and bodies, but also and above all with their non-executive nature, not being considered desirable to attribute variable remuneration mandatorily conditional on the performance of the respective members. In this context, it is considered appropriate to defend the - growing - differentiation between the remuneration treatment of directors with executive functions, on the one hand, and that of the remaining members of the other governing bodies, namely supervisory and supervisory bodies, on the other hand. Thus, and in line with the provisions of the applicable legislation, the fixed remuneration safeguards the distance between the exercise of supervisory and/or supervisory functions and the risk inherent to business activity, as well as the fundamental independence within the scope of supervision and/or unbiased and effective supervision. The aforementioned differentiating treatment is even reflected in the IPCG Code itself, namely under the terms of the Chapter V Principle, according to which "Society shall promote the evaluation of the performance of the executive body and its individual members and also of the overall performance of the body". of administration and of the specialized committees constituted within it.". In this instance, the performance evaluation of members of corporate bodies other than the members of the Executive Board of Directors, the General and Supervisory Board and the Specialized Committees is performed in a different way, and, for this purpose, solid mechanisms of checks and balances and internal control are sufficient. In this sense, in addition to the shareholder prerogative at the General Shareholders' Meeting, there are internal mechanisms, of an instrumental nature, to evaluate, at first hand and with in-depth knowledge, the performance of the members of the governing bodies and bodies, there are no benefits to establish a mechanism additional measure to assess the individual performance of each of the members of EDP's corporate and governing bodies. In this sense, the performance evaluation mechanisms are duly safeguarded, namely through the evaluation and self-evaluation process of the General and Supervisory Board, certified by a specialized external entity, including the Chairman of the Board of the General Meeting, of the evaluation process of the Statutory Auditor by the FMC/AUDC, with the Environment and Sustainability Board being a social</p>	<p>Item 21 Item 29 Remuneration Report Annual Report of the General and Supervisory Board</p>

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<p>body with consultative functions and whose the monitoring of its activity is performed by the Executive Board of Directors . Considering that the Remuneration Policy proposed by CVEN AG only proposes to provide for the remuneration – always with a fixed nature – of the aforementioned governing bodies and bodies and the Company having established effective and resilient internal mechanisms of evaluation and control to assess the individual performance of each one of the members, including their contribution to the functioning of the body and the relationship between the various bodies of the Company, this sub-recommendation [III.7(3)] should be considered as equivalent to adoption.</p>			
<p>CHAPTER IV – EXECUTIVE MANAGEMENT</p>			
<p>Principle IV.A As a way of increasing the efficiency and the quality of the managing body’s performance and the suitable flow of information in the board, the daily management of the company should be carried out by directors with qualifications, powers and experience suitable for the role. The executive board is responsible for the management of the company, pursuing the company’s objectives and aiming to contribute towards the company’s sustainable development.</p>			<p>Item 17 | Item 18 | Item 19 | Item 21</p>
<p>Principle IV.B In determining the number of executive directors, it should be taken into account, besides the costs and the desirable agility in the functioning of the executive board, the size of the company, the complexity of its activity, and its geographical spread.</p>			<p>Item 17 | Item 18 | Item 19 | Item 21</p>
<p>Recommendation IV.1. The managing body should approve, by internal regulation or equivalent, the rules regarding the action of the executive directors applicable to their performance of executive functions in entities outside of the group.</p>	<p>Adopted</p>	<p>The Internal Regulation of the Executive Board of Directors expressly addresses this issue. In particular, Article 6 provides that board members cannot hold executive functions in more than two companies outside of the EDP Group, and the performance of such functions must be subject to prior appraisal by the Executive Board of Directors.</p>	<p>Item 17 | Item 18 | Item 19 | Item 21</p>
<p>Recommendation IV.2. The managing body should ensure that the company acts consistently with its objects and does not delegate powers, namely, in what regards: i) the definition of the strategy and main policies of the company [IV.2.(1)]; ii) the organization and coordination of the business structure [IV.2.(2)]; iii) matters that should be considered strategic in virtue of the amounts involved, the risk, or special characteristics [IV.2.(3)].</p>	<p>Not applicable</p>	<p>This recommendation is not applicable in light of the Company’s governance model in force. In fact, in accordance with the dual governance model, the Executive Board of Directors does not delegate any powers provided for in this recommendation.</p>	<p>Item 17 Item 18 Item 19 Item 21</p>

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Recommendation IV.3.
In the annual report, the managing body explains in what terms the strategy and the main policies defined seek to ensure the long-term success of the company and which are the main contributions resulting therein for the community at large.

Adopted

Item 21 | Items 50 to 55 |
Management Report in the
Sustainability section

CHAPTER V – EVALUATION OF PERFORMANCE, REMUNERATION AND APPOINTMENTS

V.1 Annual evaluation of performance

Principle
The company should promote the assessment of performance of the executive board and of its members individually, and also the assessment of the overall performance of the managing body and its specialized committees.

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Item 29 | Item 52 | Item 54 |
Remuneration Report | Annual
Report of the General and
Supervisory Board

Recommendation V.1.1.
The managing body should annually evaluate its performance [V.1.1(1)] as well as the performance of its committees [V.1.1(2)] and executive directors [V.1.1(3)], taking into account the accomplishment of the company’s strategic plans and budget plans, the risk management, the internal functioning and the contribution of each member of the body to these objectives, as well as the relationship with the company’s other bodies and committees.

Adopted

[V.1.1.(1)] Under the terms of Article 5(4) of the Internal Regulation of the Executive Board of Directors, the Chairman of the board should ensure the adoption of adequate mechanisms for the annual evaluation of the functioning of the Executive Board of Directors and the performance of each of its members. In addition, EDP has voluntarily implemented a formal and objective evaluation procedure of the Executive Board of Directors’ activity that allows it to evaluate the compliance level of the adopted measures. This is a distinctive practice adopted by the General and Supervisory Board which is aligned with the evaluation criteria of the Dow Jones Sustainability Index and matches the recognition of the continuous excellence efforts of corporate governance practices that the General and Supervisory Board and the Executive Board of Directors have been undertaking. It should be noted that this evaluation process, its content, questionnaire format, and respective conclusions was analysed and certified by an external consultant. At the beginning of each year, the General and Supervisory Board members are invited, during an interview, to answer a questionnaire that allows to assess each personal perception regarding the performance of the Executive Board of Directors. In this questionnaire several topics are analysed: (i) composition and organization; (ii) performance of the Executive Board of Directors’ activity; (iii) the relationship between the Executive Board of Directors and the General and Supervisory Board; (iv) the relationship between the Executive Board of Directors and other parties. The purpose of the questionnaire is to be an objective reflection support that may be used by the General and Supervisory Board to prepare an evaluation opinion on the performance of the Executive Board of Directors that will then be presented to EDP shareholders to be voted. Such evaluation is available at the Annual Report of the General and Supervisory Board – Statement of the Evaluation Process of the Executive Board of Directors of EDP.

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V.2 Remuneration

Principle V.2.A
The remuneration policy of the members of the managing and supervisory boards should allow the company to attract qualified professionals at an economically justifiable cost in relation to its financial

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<p>situation, induce the alignment of the member's interests with those of the company's shareholders – taking into account the wealth effectively created by the company, its financial situation and the market's – and constitute a factor of development of a culture of professionalization, sustainability, promotion of merit, and transparency within the company.</p>			
<p>Principle V.2.B Directors should receive compensation: i) that suitably remunerates the responsibility taken, the availability and the expertise placed at the disposal of the company; ii) that guarantees a performance aligned with the long-term interests of the shareholders and promotes the sustainable performance of the company; and iii) that rewards performance.</p>			<p>Items 69 and 70 | Remuneration Report</p>
<p>Recommendation V.2.1. The company should create a remuneration committee, the composition of which should ensure its independence from the management, which may be the remuneration committee appointed under the terms of article 399 of the Portuguese Companies Code.</p>	<p>Adopted</p>	<p>The Remuneration Committee appointed by the General and Supervisory Board is independent from the management and aims to submit a proposal for the remuneration policy of the members of the Executive Board of Directors for approval by the General Shareholders' Meeting, at least every four years and whenever a relevant change in the current remuneration policy, as provided for in article 27 of the Articles of Association and article 28(b) of the Internal Regulations of the General and Supervisory Board.</p>	<p>Item 29 | Remuneration Report</p>
<p>Recommendation V.2.2. The remuneration should be set by the remuneration committee or the general meeting, on a proposal from that committee.</p>	<p>Adopted</p>	<p>On the other hand, the Remuneration Committee of the General Meeting is responsible for setting the remuneration of the governing bodies, with the exception of the members of the Executive Board of Directors, under the terms of the proposed remuneration policy to be submitted for approval by the General Shareholders' Meeting, as set out in the provided for in article 11 of the Articles of Association.</p>	<p>Item 29 | Remuneration Report</p>
<p>Recommendation V.2.3. For each term of office, the remuneration committee, or the general meeting, on a proposal from that committee, should also approve the maximum amount of all compensations payable to any member of a board or committee of the company due to the respective termination of office. The said situation as well as the amounts should be disclosed in the corporate governance report or in the remuneration report.</p>	<p>Adopted</p>	<p>As stated in Article 12 of its Internal Regulation, the Remuneration Committee of the General and Supervisory Board is responsible for preparing and submitting, at least every four years and whenever a relevant change to the policy in force takes place, the remuneration policy for the Executive Board of Directors Chairman and Members in line with the corporate governance best practices, namely by foreseeing criteria for the remuneration's variable component, pursuant to applicable law and current best practices; (ii) proposing the several components of base and variable remuneration, particularly the pension plans for retirement or incapacity; (iii) proposing remunerations according to the proposed policy, allowing the Company to attract, within a reasonable economic cost, qualified professionals, induce the alignment of shareholders' interests and constitute a development factor of a professionalization culture, promotion of merit and transparency within the Company; (iv) proposing the significant part of the multi-year variable remuneration to be deferred in time, at least for a period of three years. The payment of which is conditional on not undertaking intentional unlawful acts known after completion of the assessment and which jeopardise the sustainability of the company's performance; (v) annually evaluating the executive management body considering, among other factors, compliance with the company's strategy and previously defined objectives, plans and budgets, in order to ponder and determine the variable remuneration</p>	<p>Item 29 Items 66 to 88 Remuneration Report</p>

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		<p>of the EBD Chairman and Directors; (vi) assessing the individual performance of each member of the EBD, including in this assessment the contribution of each member to the operating efficiency of the body and relations with the different bodies of the company; (vii) monitoring the contractual changes of the mandates of the Chairman of the EBD and the executive directors, that reflect on their remuneration, particularly in the event of suspension or termination of those mandates; (viii) proposing the maximum amount of compensation payable to the Chairman of the EBD and the executive directors in the event of termination of office; (ix) evaluating the consequences, in the scope of the adopted remuneration policy, of the possible remuneration to EBD Chairman or Directors for holding an office in participated or Subsidiary Companies; (x) submitting to the approval of the General Shareholders Meeting a proposal for the remuneration policy for EBD Chairman and Directors, prepared in accordance with applicable law; (xi) establishing the necessary mechanisms to coordinate its activity with the Remuneration Committee elected by the General Shareholders Meeting in order to submit the remuneration determination proposal for the remaining corporate bodies; (xii) monitoring the definition of the remuneration policies of the Directors of Subsidiaries; (xiii) accompanying the publication of the remuneration policy approved by the General Shareholders Meeting in the Company's website, pursuant to applicable law and (xiv) contributing to the preparation of the Remuneration Report in accordance with applicable law, verifying its conformity and clarity.</p> <p>The Remuneration Report identifies two extraordinary situations that resulted in the attribution of remuneration instalments to be paid between 2021 and 2023, resulting from termination agreements and non-compete agreements entered into with directors of EDP Group officers with the approval of the Remuneration Committee of the General and Supervisory Board, pursuant to article 429 of the Commercial Companies Code, article 27 of EDP's Articles of Association and article 12 (h) of the Internal Regulations of the Remuneration Committee of the General and Supervisory Board at a meeting held on 13 November 2020, and the General and Supervisory Board, at the meeting held on 26 November 2020, expressed its agreement to the respective execution and granted powers to two members of the Remuneration Committee of the General and Supervisory Board to represent the Company in the signing of such agreements.</p>	
<p>Recommendation V.2.4. In order to provide information or clarifications to shareholders, the chair or, in case of his/her impediment, another member of the remuneration committee should be present at the annual general meeting, as well as at any other, whenever the respective agenda includes a matter linked with the remuneration of the members of the company's boards and committees or, if such presence has been requested by the shareholders.</p>	<p>Adopted</p>	<p>Article 5 (2) of the Remuneration Committee Internal Regulation expressly sets forth that in order to provide information or clarification to shareholders, the Chairman, or in his absence, other Remuneration Committee member, shall ensure the presence in the Annual Shareholders' General Meeting or in any other General Shareholders Meeting if the agenda covers any matter related to the remuneration of the members of the Company's bodies or committees, or if such presence is required by shareholders.</p>	<p>Item 29 | Remuneration Report</p>
<p>Recommendation V.2.5. Within the company's budgetary limitations, the remuneration committee should be able to decide, freely, on the hiring, by the company, of necessary or convenient consulting services to carry out the committee's duties.</p>	<p>Adopted</p>	<p>Both the Remuneration Committee of the General and Supervisory Board and the Remuneration Committee elected by the General Shareholders Meeting freely decide on the hiring by the Company of the necessary or convenient consultancy services for the exercise of the respective functions, as provided, namely, in Article 4 (6) of the Remuneration Committee of the General and Supervisory Board Internal Regulation and in article 4, no. 4 and no. 5 of the Internal Regulations of</p>	<p>Item 29 Item 67 Remuneration Report</p>

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<p>Recommendation V.2.6 The remuneration committee should ensure that those services are provided independently and that the respective providers do not provide other services to the company, or to others in controlling or group relationship, without the express authorization of the committee.</p>	<p>Adopted</p>	<p>the Remuneration Committee appointed by the General Meeting. In particular, the members of the Remuneration Committee appointed by the General Meeting may propose to the respective Chairman, according to the budgeted amount, the hiring of technical and specialist services that they deem necessary for the performance of their duties, pursuant to article 10 (1) (b).</p> <p>In accordance with Article 4 (5) of its Internal Regulation, the Remuneration Committee of the General and Supervisory Board ensures that the consultancy services on remuneration matters are provided with independence and that the respective service providers are not hired for the provision of any other services to the Company or any other controlled by the Company or subsidiary of the Company without express consent of the Committee.</p> <p>In accordance with Article 4(5) of its Internal Regulations, the Remuneration Committee appointed by the General Meeting ensures that consultancy services on remuneration matters are provided independently and that the respective providers will not be contracted to provide any other services to the Company itself or to others that are in a domain or group relationship with it without the express authorization of the Commission.</p>	<p>Item 29 Item 67 Remuneration Report</p>
<p>Recommendation V.2.7 Considering the alignment of interests between the company and the executive directors, a part of their remuneration should be of a variable nature, reflecting the sustained performance of the company, and not stimulating the assumption of excessive risks.</p>	<p>Adopted</p>	<p>The adoption of this recommendation results in particular of item 69 of this chapter and the Remuneration Report (Part IV).</p>	<p>Items 69 and 70 | Remuneration Report</p>
<p>Recommendation V.2.8 A significant part of the variable component should be partially deferred in time, for a period of no less than three years, being necessarily connected to the confirmation of the sustainability of the performance, in the terms defined by a company's internal regulation.</p>	<p>Adopted</p>	<p>The adoption of this recommendation results in particular of items 69 and 70 of this chapter and the Remuneration Report (Part IV).</p>	<p>Item 69 | Items 70 and 72 | Remuneration Report</p>
<p>Recommendation V.2.9 When variable remuneration includes the allocation of options or other instruments directly or indirectly dependent on the value of shares, the start of the exercise period should be deferred in time for a period of no less than three years.</p>	<p>Not applicable</p>	<p>There are no stock option plans or other direct or indirect instruments dependent on the value of shares.</p>	<p>Items 85 to 88 | Remuneration Report</p>
<p>Recommendation V.2.10 The remuneration of non-executive directors should not include components dependent on the performance of the company or on its value.</p>	<p>Not applicable</p>	<p>This recommendation is not applicable considering the Company's governance model in force.</p>	
<p>V.3. Appointments</p>			
<p>Principle. Regardless of the manner of appointment, the profile, the knowledge, and the curriculum of the members of the company's governing bodies, and of the</p>			<p>Items 17 to 19</p>

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<p>executive staff, should be suited to the functions carried out.</p>			
<p>Recommendation V.3.1. The company should, in terms that it considers suitable, but in a demonstrable form, promote that proposals for the appointment of the members of the company's governing bodies are accompanied by a justification regarding the suitability of the profile, the skills and the curriculum vitae to the duties to be carried out.</p>	<p>Adopted</p>	<p>The Selection Policy in force for the members of the General and Supervisory Board was implemented in accordance with the best practices and is aimed at implementing transparent and objective selection procedures. The appointment of the members of the General and Supervisory Board and of the Executive Board of Directors Members results from a transparent and objective selection procedure that evaluates the adequacy of the candidates, both individually and collectively, taking into consideration the legal and statutory competences of such corporate bodies, despite the fact that it is an attribution of the General Shareholders Meeting. In the scope of the selection process, the integration of a range of skills, professional experiences, diversity of knowledges, gender and culture must be ensured, bearing in mind the specificities of the companies' businesses. The election proposal of any candidate of the General and Supervisory Board and of the Executive Board of Directors to be submitted to the General Shareholder Meeting should be duly substantiated, so that shareholders may assess the candidates' profile, knowledge, and curriculum considering the functions to be carried out. Noe also the specific competences set forth in the Corporate Governance and Sustainability Committee Internal Regulation, in particular the powers to monitor, together with the Executive Board of Directors, the selection criteria, the provision of necessary competences to the internal bodies and structures of the Company, its subsidiaries and other entities in which the Company has the right to appoint members corporate bodies, and their repercussions in the respective composition, all in articulation with EDP's Selection Policy and the criteria set out therein of merit, adequacy to function and diversity. In this regard, EDP effectively promotes that the presentation of resolution proposals by shareholders is made in accordance with the Selection Policy in force, by which said proposals are required to be duly grounded.</p>	<p>Items 17 to 19</p>
<p>Recommendation V.3.2. The overview and support to the appointment of members of senior management should be attributed to a nomination committee unless this is not justified by the company's size.</p>	<p>Not applicable</p>	<p>This recommendation is not applicable considering the Company's governance model in force.</p>	
<p>Recommendation V.3.3. This nomination committee includes a majority of nonexecutive, independent members.</p>	<p>Not applicable</p>	<p>This recommendation is not applicable considering the Company's governance model in force.</p>	
<p>Recommendation V.3.4. The nomination committee should make its terms of reference available, and should foster, to the extent of its powers, transparent selection processes that include effective mechanisms of identification of potential candidates, and that those chosen for proposal are those who present a higher degree of merit, who are best suited to the demands of the functions to be carried out, and who will best promote, within the organisation, a suitable diversity, including gender diversity.</p>	<p>Not applicable</p>	<p>The Corporate Governance and Sustainability Committee, in coordination with the Executive Board of Directors, shall oversee the preparation of the succession plans regarding the internal structures and bodies of the Company and its subsidiaries, as well as of other entities in which the Company has the right to appoint members of their corporate bodies. In this respect, a stated objective is to identify in advance potential additional human resources needs, in order to ensure the continuity of the Company's operations. Under the selection procedure of the candidates, it is considered advisable to resort to external independent consultants with specific expertise on these matters, which should comply with the criteria and skills sets forth in the Selection Policy in force when selecting candidates. The Corporate Governance and Sustainability Committee should carry out a periodic review on the execution and compliance of the Selection Policy and should propose any changes deemed necessary, reporting its conclusions on the adoption of the policy to the General and Supervisory Board. The members to be appointed for the General and Supervisory Board and</p>	<p>Items 17 to 19</p>

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<p>the Executive Board of Directors shall be individuals of recognized national and/or international prestige, with professional knowledge and experience which are adequate to the exercise of the respective functions. The curricula of candidates to the corporate bodies should be made available on the institutional website of the Company. Along with the concern for each member's individual adequacy, it is also intended that the composition of the corporate bodies demonstrates a collective adequacy, by gathering as a whole the professional and personal qualities required for the proper performance of the functions of each of EDP's corporate bodies. Likewise, in order to determine the number of members of the Executive Board of Directors, the costs and the desirable operational agility of the management, the size of the Company, the complexity of its activity and the geographical dispersion shall be pondered.</p>			
<p>CHAPTER VI – INTERNAL CONTROL</p>			
<p>Principle. Based on its mid and long-term strategies, the company should establish a system of risk management and control, and of internal audit, which allow for the anticipation and minimization of risks inherent to the company's activity.</p>			<p>Items 50 to 55</p>
<p>Recommendation VI.1. The managing body should debate and approve the company's strategic plan [VI.1.(1)] and risk policy, which should include the establishment of limits on risk-taking [VI.1.(2)].</p>	<p>Adopted</p>	<p>[VI.1.(1)] The Executive Board of Directors is the highest responsible for the risk management decision-making, supervision, and control, and is in charge to set objectives and management policies within the EDP Group. Among other attributions, the Executive Board of Directors is responsible for the Business Plan, definition of risk policies, namely the respective exposure limits by risk category and by resources allocation, according to the risk profile. On the other hand, the General and Supervisory Board permanently monitors and assesses the efficiency of the risk management system. As set forth in Article 17(2) of the Company's Articles of Association, the approval of the Company's strategic plan and the execution of relevant transactions by the Company its subsidiaries are subject to favourable prior opinion of the General and Supervisory Board. [VI.1.(2)] As stated in Article 4 (2) (n) of its Internal Regulation, the Executive Board of Directors should "ensure that the Company risks are identified, assessed, controlled and managed, define risk objectives, set risk profiles of the Company and coordinate the decisions related to material risks management.". In this regard, the definition of EDP's strategic objectives on risk assumption matters should be subject to the appraisal of the General and Supervisory Board and the Financial Matters Committee/Audit Committee, following a proposal of the Executive Board of Directors, namely within the scope of the appraisal of the Company's business plan. Furthermore, the Executive Board of Directors should develop a continuous effort to improve the internal control and risk management systems, assessing its efficiency and implementing measure deemed adequate to reinforce the assured quality levels. It should also be noted that, periodically, the Executive Board of Directors reports to the General and Supervisory Board and to the Financial Matters Committee/Audit Committee on the identification and evolution of the main risks related to EDP's activity, quantifying its impact and the probability of occurrence of the risks deemed relevant.</p>	<p>Items 50 to 55</p>
<p>Recommendation VI.2. The supervisory board should be internally organised, implementing mechanisms and procedures of periodic control that seek to guarantee that risks which are effectively incurred by the company are</p>	<p>Adopted</p>	<p>In accordance with Article 12(2)(i) of its Internal Regulation, the Financial Matters Committee/Audit Committee shall, in carrying out its functions, pay special attention to the identification, evaluation, risk management and control and evaluations of the internal level of compliance as well as the continuous monitoring of performance and risk management system efficiency of the Company, jointly with the Executive Board of Directors, following namely the risk control policies, the key risk</p>	<p>Items 50 to 55 Annual Report of the General and Supervisory Board</p>

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<p>consistent with the company's objectives, as set by the managing body.</p> <p>Recommendation VI.3. The internal control systems, comprising the functions of risk management, compliance, and internal audit should be structured in terms adequate to the size of the company and the complexity of the inherent risks of the company's activity. The supervisory body should evaluate them and, within its competence to supervise the effectiveness of this system, propose adjustments where they are deemed to be necessary.</p>	<p>Adopted</p>	<p>indicators (KRI) identification and the integrated risk evaluation methodologies, having the possibility to request to the Risk Management Department and to the Corporate Risk Department the information deemed convenient, and should implement necessary mechanisms and procedures adequate to that effect. The monitoring of risks ensures the effectiveness of action on identified risks, both in terms of control and periodic reporting of the Group's position as regards several risk factors, as well as the effective implementation of the policies, standards and procedures established for risk management. This role is ensured by the Boards of Directors of the various Group Business Units. The Risk Management Department and risk-officers are responsible for promoting and enhancing risk control and management measures, disseminating best practices, and supporting the disclosure of concepts, methods, risk measures and key risk indicators (KRI). Additionally, the Risk Management Department, supported by the network of risk-officers, develops a set of bi-weekly or quarterly reports sent to the Executive Board of Directors and to the Board of Directors of each Business Unit. These reports allow the organisation to regularly follow KRIs that are aligned with performance metrics and, as such, reflect the risk profile at each moment. In addition, these indicators are subject to risk limits that are aligned with the objectives and strategy of the EDP Group, thus allowing this strategy to be implemented at the operational level. This information and the evolution of the company's risk profile are also reported to the General and Supervisory Board, namely through the Risk Appetite dashboard that is shared quarterly. Pursuant to Article 12(3) of its Internal Regulation, the Financial Matters Committee/Audit Committee is additionally authorized to (i) propose to the General and Supervisory Board the contracting of specialist services and independent consultants in accordance with the appropriate budgets, (ii) carry out other inquiries in departments of the Company and its subsidiaries or group companies, when necessary in order to enable it to fulfil its duties, (iii) obtain all the information it requires in order to carry out its duties, either directly or indirectly through the Chairman of the General and Supervisory Board, (iv) Attend meetings of the Executive Board of Directors, where attendance at meetings at which the annual accounts are to be considered is mandatory, (v) assess, annually, the activity and performance of the Internal Audit as well as the work conditions adequacy namely the human resources and technical means levels, (vi) assess, annually, the activity and performance of the Compliance & Internal Control as well as the work conditions adequacy namely the human resources and technical means levels, (vii) review, annually, in coordination with the Executive Board of Directors, the Internal Audit Basic Standard, (viii) review, annually, in coordination with the Executive Board of Directors, the Compliance System Regulation, and (ix) monitor on a permanent basis the communication of the Company to the Statutory Auditors Association the conclusion of contracts, on behalf of the Company, the nature and duration of the service to be provided.</p>	<p>Item 50 Items 53 and 54 Annual Report of the General and Supervisory Board</p>
<p>Recommendation VI.4. The supervisory body should provide its view on the work plans and resources allocated to the services of the internal control system, including the risk management, compliance, and internal audit functions, and may propose the adjustments deemed to be necessary.</p>	<p>Adopted</p>		<p>Item 50 | Items 53 and 54 | Annual Report of the General and Supervisory Board</p>
<p>Recommendation VI.5. The supervisory body should be the recipient of the reports prepared by the internal control services, including the risk management functions,</p>	<p>Adopted</p>	<p>In accordance with Article 12(1)(r) of its Internal Regulation, the Financial Matters Committee/Audit Committee shall supervise and monitor the accounts review and the individual and consolidated accounting documents namely taking into consideration eventual remarks of the Portuguese Securities Market Commission (CMVM) and assess the content of the certification of accounts and</p>	<p>Item 50 Items 53 and 54 Annual Report of the General and Supervisory Board</p>

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<p>compliance and internal audit, at least regarding matters related to the approval of accounts, the identification and resolution of conflicts of interest, and the detection of potential irregularities.</p>		<p>audit annual reports with the Statutory Auditor, being the Financial Matters/Audit Committee the first recipient of such documents, namely regarding eventual reservations for recommendation presentation purposes to the General and Supervisory Board and the Executive Board of Directors. It shall also receive the reports prepared by the internal control services, including risk management, compliance, and internal auditing, at least whenever they relate to the preparation of accounts, the identification or solution of conflicts of interest, and the detection of potential irregularities. In also ensures the activity and independence of the Statutory Auditor, as foreseen in Annex II of its Internal Regulation and in applicable laws and regulations, in order to assess its independence and compliance with applicable laws, regulations and agreements, as well as principles and best practices applicable to auditing companies and their representatives with the audited entities.</p>	
<p>Recommendation VI.6. Based on its risk policy, the company should establish a risk management function, identifying (i) the main risks it is subject to in carrying out its activity [VI.6.(1)]; (ii) the probability of occurrence of those risks and their respective impact [VI.6.(2)]; (iii) the devices and measures to adopt towards their mitigation [VI.6.(3)]; and (iv) the monitoring procedures, aiming at their accompaniment [VI.6.(4)].</p>	<p>Adopted</p>	<p>EDP has set several internal rules that set forth provisions on risk management strategies and policies. On the Group Business Risk Management Manual of EDP it should be highlighted the specific chapters on business risk management structures, on risks management procedures, on business risk management tools and on periodic updating. Regarding EDP's Risk Appetite Execution document, the objective is to formalize and to disclose EDP's risk approach, as a relevant element of alignment and transparency towards shareholders and other stakeholders, as well as further explain the controlled risk pillar. For further information please see: Corporate Risk Management Policy | edp.com</p> <p>[VI.6.(1)] Items 53 and 54 of this Report set forth the main risks that EDP is subject to in the performance of its activity.</p> <p>[VI.6.(2)] Under item 53 of this Report, EDP identifies the probability of occurrence of each risk associated with its activity and the respective impact.</p> <p>[VI.6.(3)] Regarding the instruments and measures adopted in order to mitigate risk, EDP adopts such sub-recommendation as set out in items 53 and 54 of this Report.</p> <p>[VI.6.(4)] The adoption of this sub-recommendation regarding the monitoring procedures is set forth in item 54 of this Report being the respective risk management structured in six main phases, being the "monitorization" phase the penultimate one.</p>	<p>Item 50 | Items 53 and 54</p>
<p>Recommendation VI.7. The company should establish procedures for the supervision, periodic evaluation, and adjustment of the internal control system, including an annual evaluation of the level of internal compliance and the performance of that system, as well as the perspectives for amendments of the risk structure previously defined.</p>	<p>Adopted</p>	<p>As referred in the comments to recommendation VI.1, the Executive Board of Directors of EDP should develop a continuous effort on improving the internal risk control and management systems, assessing their efficiency, and implementing the adequate measures to reinforce the quality assurance levels. It should also be noted that, periodically, the Executive Board of Directors reports to the General and Supervisory Board and to the Financial Matters Committee / Audit Committee on the identification and evolution of the main risks associated with EDP's activity, quantifying the impact and the occurrence probability of the deemed relevant risks.</p> <p>The Financial Matters Committee/Audit Committee should according to Article 12 (2) (h) of its Internal Regulation, monitor with special attention the risk identification, evaluation, control and management and to assess the internal compliance standards, as well as to continuously monitor the risk management system performance and efficiency with the Executive Board of Directors, accompanying namely the risk control policies, the key risk indicators (KRI) identification and the integrated risk assessment methodologies, having the possibility to request to the Risk and to the Risk Committee the information deemed relevant, and should, whenever necessary, implement the appropriate mechanisms and procedures for this purpose, and should assess and pronounce on the strategic lines and policy of the EDP Group's corporate risk management prior to the respective final approval by the Executive Board of Directors. In addition to Article 12 (1) (e) of the respective Internal Regulation provision which specifically sets forth the Financial Matters Committee/Audit</p>	<p>Items 50 to 55</p>

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<p>Committee competence to supervise the risk management, the internal control and internal audit systems efficiency, it should be noted that the Financial Matters Committee/Audit Committee is authorized to propose to the General and Supervisory Board and to the Executive Board of Directors the measures aimed to guarantee the integrity of financial information and improve the operation of financial information internal control systems, risk and compliance management systems, in accordance with Article 12 (3) (a). It is also important to point out that, according to Article 12 (3) (f) of the respective Internal Regulation, the Financial Matters Committee/Audit Committee should annually evaluate the activity and performance of the Internal Audit Department, as well as the working conditions namely on human resources and technical means adequacy.</p>			
<p>CHAPTER VII – FINANCIAL INFORMATION</p>			
<p>VII.1 Financial Information</p>			
<p>Principle VII.A The supervisory body should, with independence and in a diligent manner, ensure that the managing body complies with its duties when choosing appropriate accounting policies and standards for the company, and when establishing suitable systems of financial reporting, risk management, internal control, and internal audit.</p>		<p>The General and Supervisory Board is responsible for the monitoring and permanent assessment of internal proceedings related to accounting and auditing matters as well the monitoring of the risk profile of the Company, the risk management system efficiency, the internal control system and the internal auditing system under Article 14 (1) (e) of the General and Supervisory Board Internal Regulation. In particular, the Financial Matters Committee/Audit Committee has the authority to (i) verify if the accounting policies and metrical criteria adopted by the Company are consistent with the general accounting principles accepted and adequate to the correct presentation of its assets, liabilities and results (under Article 12 (1) (a)) of the Financial Matters Committee/Audit Committee Internal Regulation and (ii) supervise the internal audit, financial reporting control (SCIRF), risk, and compliance management systems, under Article 12 (1) (e) of such Committee Internal Regulation.</p>	<p>Item 15 | Item 17 | Item 21 | Item 29 | Items 30 to 41</p>
<p>Principle VII.B The supervisory body should promote an adequate coordination between the internal audit and the statutory audit of accounts.</p>		<p>The General and Supervisory Board is responsible for the monitoring and permanent assessment of internal proceedings related to accounting and auditing matters as well the monitoring of the risk profile of the Company, the risk management system efficiency, the internal control system and the internal auditing system under Article 14 (1) (e) of its Internal Regulation. In particular, the Financial Matters Committee/Audit Committee has the authority to (i) verify if the accounting policies and metrical criteria adopted by the Company are consistent with the general accounting principles accepted and adequate to the correct presentation of its assets, liabilities, and results (under Article 12 (1) (b)) and (ii) supervise the internal audit, financial reporting control (SCIRF), risk, and compliance management systems, under Article 12 (1) (e). The Internal Regulation of the Financial Matters Committee/Audit Committee specifically sets forth the competence to monitor, with special care, the activity and contractual relations with the Statutory Auditor, without interfering with its performance, being allowed to formulate recommendations or request clarifications within the context of the relationship between the General and Supervisory Board, the Executive Board of Directors and the Statutory Auditor regarding financial information, as well to monitor and evaluate, pursuant to applicable law, the objectivity and independence of the Statutory Auditor, namely regarding the provision of non-audit services, under Article 12 (2) (j).</p>	<p>Item 15 | Item 17 | Item 21 | Item 29 | Items 30 a 41</p>
<p>Recommendation VII.1.1. The supervisory body's internal regulation should impose the obligation to supervise the suitability of the preparation process and the disclosure of financial information by the managing body, including suitable accounting policies, estimates,</p>	<p>Adopted</p>	<p>The Internal Regulation of the Financial Matters Committee/Audit Committee sets forth in Article 12 (2) (g) the competence to supervise the adequacy of the preparation and financial disclosure of information process as well as to prepare a report addressed to the General and Supervisory Board which includes the analysis of the Financial Matters Committee/Audit Committee of such process, namely on the adequacy of accounting policies, estimates, judgements and relevant disclosure procedures and its consistent implementation between financial years.</p>	<p>Item 21 | Item 27 | Item 29 | Item 46 | Item 50 | Item 55</p>

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
<p>judgments, relevant disclosure, and its consistent application between financial years, in a duly documented and communicated form.</p>			
<p>VII.2 Statutory audit of accounts and supervision</p>			
<p>Principle. The supervisory body should establish and monitor clear and transparent formal procedures on the relationship of the company with the statutory auditor and on the supervision of compliance, by the auditor, with rules regarding independence imposed by law and professional regulations.</p>		<p>Article 14 (1) (d) of the General and Supervisory Board Internal Regulation sets forth that this body should permanently monitor the activity of the Statutory Auditor and give its opinion on the respective election or appointment, its exoneration, its independency, and its other relationships with the Company. Particularly, the Financial Matters Committee/Audit Committee is responsible for the (i) proposal to the General and Supervisory Board of the hiring and the dismissal of the Statutory Auditor as well as its remuneration under Article 12 (1) (o), (ii) issuance of a reasoned opinion, in accordance with applicable law, on the renewal and extension of the Statutory Auditor's mandate to be submitted to the General and Supervisory Board under Article 12 (1) (p), (iii) monitoring, with special care, the activity and contractual relations with the Statutory Auditor, without interfering with its performance, being allowed to formulate recommendations or request clarifications within the context of the relationship between the General and Supervisory Board, the Executive Board of Directors and the Statutory Auditor regarding financial information, as well to monitor and evaluate, pursuant to applicable law, the objectivity and independence of the Statutory Auditor, namely regarding the provision of non-audit services, under Article 12 (2) (j) and (iv) supervise the activity and the independence of the Statutory Auditor and compliance with applicable laws, regulations and agreements, as well as principles and best practices applicable to auditing companies and their representatives with the audited entities under Article 12 (1) (s).</p>	<p>Item 29 | Item 42 | Items 44 to 46 | Item 50</p>
<p>Recommendation VII.2.1. By internal regulations, the supervisory body should define, according to the applicable legal regime, the monitoring procedures aimed at ensuring the independence of the statutory audit.</p>	<p>Adopted</p>	<p>The duties of the Financial Matters Committee / Audit Committee are set forth in Article 12 of its Internal Regulation, and they include supervising the activity and the independence of the Statutory Auditor in accordance with applicable laws and regulations, in order to assess its independence and compliance with applicable laws, regulations and agreements, as well as principles and best practices applicable to auditing companies and their representatives with the audited entities. It should also approve the provision of audit and non-auditing services by the Statutory Auditor to the Company or its subsidiaries, ensuring an adequate prior review of any threats to the independence of the Statutory Auditor that the provision of such services may entail, as well as any safeguards to be applied in order to mitigate them. Within the scope of its attributions, the Financial Matters Committee / Audit Committee must monitor, with special care, the activity and contractual relations with the Statutory Auditor, without interfering with its performance, being allowed to formulate recommendations or request clarifications within the context of the relationship between the General and Supervisory Board, the Executive Board of Directors and the Statutory Auditor regarding financial information, as well to monitor and evaluate, pursuant to applicable law, the objectivity and independence of the Statutory Auditor, namely regarding the provision of non-audit services. Consider also that Article 12 (1) (h) sets out the competence to supervise the adequacy of the preparation and financial disclosure of information process, as well as to prepare a report addressed to the General and Supervisory Board which includes the analysis of the Financial Matters Committee/Audit Committee of such process, namely on the adequacy of accounting policies, estimates, judgements and relevant disclosure procedures and its consistent implementation between financial years. Furthermore, EDP has an Internal Regulation on Services Provided by the Statutory Auditor which defines and promotes criteria and methodologies to ensure the independence of the Statutory Auditor when providing audit and non-audit services to EDP or to</p>	<p>Items 39 to 41</p>

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
<p>Recommendation VII.2.2. The supervisory body should be the main interlocutor of the statutory auditor in the company and the first recipient of the respective reports [VII.2.2 (1)], having the powers, namely, to propose the respective remuneration [VII.2.2 (2)] and to ensure that adequate conditions for the provision of services are ensured within the company.</p>	<p>Adopted</p>	<p>its subsidiaries. This Regulation is available at EDP’s website: Regulations on Provision of Services by Statutory Auditor or Statutory Auditor Company</p> <p>The supervisory procedures aiming to ensure the independence of the Statutory Auditor are set forth in the aforementioned Regulation, as well as in Annex II of the Internal Regulation of the Financial Matters Committee / Audit Committee, which specifically sets forth the annual evaluation process of the Statutory Auditor of the Company.</p> <p>[VII.2.2 (1)] The Financial Matters Committee/Audit Committee is responsible for assessing the contents of the annual accounts’ certification reports (Article 12 (1) (r) of its Internal Regulation), and [VII.2.2 (2)] for monitoring, with special care, the activity and contractual relations with the Statutory Auditor, without interfering with its performance, being allowed to formulate recommendations or request clarifications within the context of the relationship between the General and Supervisory Board, the Executive Board of Directors and the Statutory Auditor regarding financial information, as well to monitor and evaluate, pursuant to applicable law, the objectivity and independence of the Statutory Auditor, namely regarding the provision of non-audit services, under Article 12 (2) (j). Furthermore, this Internal Regulation sets forth the specific competences of the Financial Matters Committee/Audit Committee to propose, to the General and Supervisory Board, the hiring and dismissal of the Statutory Auditor.</p>	<p>Item 21 | Item 29</p>
<p>Recommendation VII.2.3. The supervisory body should annually assess the services provided by the statutory auditor, their independence, and their suitability in carrying out their functions and propose their dismissal or the termination of their service contract by the competent body when this is justified for due cause.</p>	<p>Adopted</p>	<p>The Internal Regulation of the Financial Matters Committee/Audit Committee establishes specific prerogatives and competences to annually assess the activity pursued by the Statutory Auditor namely on (i) submitting to the General and Supervisory Board proposals on the hiring and dismissal of the Statutory Auditor, as well as its remuneration under Article 12 (1) (q), (ii) issuing a reasoned opinion in accordance with the applicable law on the renewal or extension of the Statutory Auditor’s mandate, to be presented to the General and Supervisory Board under Article 12 (1) (p), (iii) monitoring, with special care, the activity and contractual relations with the Statutory Auditor, without interfering with its performance, being allowed to formulate recommendations or request clarifications within the context of the relationship between the General and Supervisory Board, the Executive Board of Directors and the Statutory Auditor regarding financial information, as well to monitor and evaluate, pursuant to applicable law, the objectivity and independence of the Statutory Auditor, namely regarding the provision of non-audit services, under Article 12 (2) (j) and (iv) supervise the activity and the independence of the Statutory Auditor and compliance with applicable laws, regulations and agreements, as well as principles and best practices applicable to auditing companies and their representatives with the audited entities under Article 12 (1) (s). During this exercise, the annual evaluation of the Statutory Auditor of EDP has been carried out under the terms set forth in Annex II of the Internal Regulation of the Financial Matters Committee /Audit Committee.</p>	<p>Item 21 | Item 29 | Item 45</p>

3. Other information

The following documents are attached to this Report, forming an integral part thereof:

Annex I – Brief curricula of the members of the General and Supervisory Board and the Executive Board of Directors

Annex II – Attendance list of the meetings of the General and Supervisory Board

Annex III – Attendance list of the meetings of the Executive Board of Directors


Annex IV – Positions held in other companies

Annex V – Attendance lists for:

- i. The Financial Matters Committee/Audit Committee
- ii. The Remuneration Committee of the General and Supervisory Board
- iii. The Corporate Governance and Sustainability Committee
- iv. The United States of America Business Affairs Monitoring Committee

ANNEX I

General and Supervisory Board

	Full Name	JOÃO LUÍS RAMALHO CARVALHO TALONE
	Status	Independent
	Position	Chairman of the General and Supervisory Board
	Committees	<ul style="list-style-type: none"> o Corporate Governance and Sustainability Committee Chairman o USA Business Affairs Monitoring Committee Chairman
	Academic Qualifications	<ul style="list-style-type: none"> o Assistant Professor of “Operational Research” and “Statistics” – IST (1972-1975) o Invited Auxiliar Professor of “International Finance” – Nova SBE (1985-1987) o Degree in Advanced Management Program – Harvard Business School (2002) o Bachelor’s and Master’s of Science degree in Civil Engineering – Technical University of Lisbon (1974) o International Certificate in Corporate Governance – INSEAD (2018) o Executive Program – Singularity University in Silicon Valley (2020)
	Skills and Experience	<ul style="list-style-type: none"> o Executive Board Member – BCP (1987-2001) o Chairman – Foreign & Colonial in London o Vice-Chairman of Lusotur – Vilamoura o Special Commissioner for the Portuguese Government – IPE (2002-2003) o CEO – EDP – Energias de Portugal, SA (2003-2006) o Vice-Chairman – HidroCantábrico (2005-2006) o Co-founder – Hyperion (2006) o Chairman – IBERWIND (2008-2015) (wind energy) o Member – Corporate Finance Standing Committee – ESMA Paris (2010-2013) o Advisory Board member – Banco de Portugal (2018-2020) o MBA – Nova SBE/Wharton (1982) o Non-executive Board Member – ITA CARE (2016 – 2021) (Health) o Non-executive Board Member – Lexer (2019 – 2021) o Board Member of Alfred Santos Foundation – Financial Sponsor of Nova SBE – Business School (2021)
	Company Background	<ul style="list-style-type: none"> o General and Supervisory Board Chairman (since April 2021)
	Current External Appointments	<ul style="list-style-type: none"> o Co-founder – Magnum Capital (2006) o Non-executive Board Member – ROQ (2018) o Member – Engineers Academy (2012)



Full Name	DINGMING ZHANG
Status	Non-Independent
Position	General and Supervisory Board Member
Committees	-
Academic Qualifications	<ul style="list-style-type: none"> ○ Bachelor's degree in Power System and Automation - Huazhong University of Science and Technology (1984) ○ Master's degree in Management - Huazhong University of Science and Technology (2001)
Skills and Experience	<ul style="list-style-type: none"> ○ Deputy Director of Power Production Department - China Three Gorges Corporation (2002) ○ Executive Vice President - China Yangtze Power Company (2002-2011) ○ Director - Guangzhou Development Industry
Company Background	<ul style="list-style-type: none"> ○ General and Supervisory Board Vice Chairman, in representation of China Three Gorges Corporation (February 2012 - April 2015) ○ General and Supervisory Board Member, in representation of CWEI (Europe), SA (April 2015 - April 2018) ○ General and Supervisory Board Member, in representation of China Three Gorges International Corporation (March 2018 - December 2018) ○ General and Supervisory Board Vice Chairman, in representation of China Three Gorges Corporation (December 2018 - April 2021) ○ General and Supervisory Board Member, in representation of China Three Gorges International Corporation (April 2021-)
Current External Appointments	<ul style="list-style-type: none"> ○ President - Beijing Yangtze Power Capital (since 2015) ○ Vice-President - China Three Gorges Corporation (December 2018-to date)



Full Name	SHENGLIANG WU
Status	Non-Independent
Position	General and Supervisory Board Member
Committees	-
Academic Qualifications	<ul style="list-style-type: none"> o Bachelor's degree in Engineering – Wuhan University (1992) o Master's degree in Technical Economics and Management – Chongqing University (2000)
Skills and Experience	<ul style="list-style-type: none"> o Secretary of Corporate Affairs Department – Gezhouba Hydropower Plant (1998–2000) o Deputy Director of the Board – China Yangtze Power Company (2002–2003) o Director of Capital Operating Department – China Yangtze Power Company (2004–2006) o Executive Vice-President – Beijing Yangtze Power Capital Co Ltd (2006–2011) o Deputy Director of Strategic Planning Department – China Three Gorges Corporation (2011–2015) o Executive Vice-President – China Three Gorges International Corporation (2015–2020) o Chairman – China Three Gorges (Europe), SA (2015–2020) o Chairman – China Three Gorges International Limited (2020–to date)
Company Background	<ul style="list-style-type: none"> o General and Supervisory Board Member, in representation of China Three Gorges International (Europe), S.A. (February 2012 – April de 2015) o General and Supervisory Board Member, in representation of China Three Gorges (Portugal), Sociedade Unipessoal, Lda (April 2015 – April 2018) o General and Supervisory Board Member, in representation of China Three Gorges (Europe), SA (April 2018 – December 2018) o General and Supervisory Board Member, in representation of China Three Gorges International Corporation, (December 2018 – April 2021) o General and Supervisory Board Member, in representation of China Gorges International Limited, (April 2021 – to date) o Chairman – China Three Gorges International Corporation (since 2022)
Current External Appointments	<ul style="list-style-type: none"> o Chairman – China Three Gorges International Limited (since 2020) o Chairman – China Three Gorges International Corporation (since 2022)

	Full Name	IGNACIO HERRERO RUIZ
	Status	Non-Independent
	Position	General and Supervisory Board Member
	Committees	Corporate Governance and Sustainability Committee Member
	Academic Qualifications	Degree in Economics – Carlos III University (Madrid) (1997)
	Skills and Experience	<ul style="list-style-type: none"> o Credit Risk Management Department – Citigroup (1997–1998) o Mergers and Acquisitions Department – Deutsche Bank (1998– 2007) o Mergers and Acquisitions Department – Credit Suisse (2007–2016)
	Company Background	General and Supervisory Board Member, in representation of China Three Gorges (Europe), SA, since December 2018)
	Current External Appointments	Holds senior positions in China Three Gorges Corporation (Europe), SA (since 2016) ¹

¹Ignacio Herrero Ruiz is not a member of the Board of Directors of China Three Gorges Corporation (Europe), S.A.



Full Name	HUI ZHANG
Status	Non-Independent
Position	General and Supervisory Board Member
Committees	Corporate Governance and Sustainability Committee Member
Academic Qualifications	<ul style="list-style-type: none"> o Bachelor of Economics – Chongqing Institute of Industrial Management (1993–97) o Master of Science in Management – Zhongnan University of Economics and Law (2006–08)
Skills and Experience	<ul style="list-style-type: none"> o Cashier of Operations Section – Gezhouba Power Plant Maintenance Branch – (1997–98) o Cashier of Finance Section – Gezhouba Power Plant Dajiang Branch – (1998) o Accountant of Operations Section – Gezhouba Power Plant Maintenance Branch (1998–00) o Accountant of Finance Section – Gezhouba Power Plant Maintenance Branch (2000–02) o General Accountant of Ledger Statement Supervisor Accounting – China Yangtze Power Co. (2003–06) o Head of Assets and Insurance of Finance Department – China Yangtze Power Co., Ltd. (2006–09) o Deputy Director of Xiba Accounting Center – China Yangtze Power Co., Ltd. (2009–11) o Accounting Director of Finance Department – China Yangtze Power Co., Ltd. (2011–15) o General auditor of Finance Department – China Yangtze Power Co., Ltd. (2015–16) o Deputy Manager of Finance Department – China Yangtze Power Co., Ltd. (2016–17) o Assistant General Manager – Three Gorges Power Co., Ltd. (2017–18) o Vice General Manager – Three Gorges Power Co., Ltd. (2018–20) o Deputy Office Director – China Yangtze Power Co., Ltd. Andes Project (2020) o Chief Accountant and Party Committee Member – Shanghai Survey, Design and Research Institute Co., Ltd. (2020–22)
Company Background	Member of the General and Supervisory Board, in representation of China Three Gorges Brasil Energia S.A., since December 2022
Current External Appointments	Deputy Director of M&A Department – China Three Gorges Corporation – (since April 2022)



Full Name	MIGUEL ESPREGUEIRA MENDES PEREIRA LEITE
Status	Non-Independent
Position	General and Supervisory Board Member
Committees	Remuneration Committee Chairman
Academic Qualifications	<ul style="list-style-type: none"> o Degree in Law – Portuguese Catholic University (1987) o Management Course – Executive Program – PBS – Porto Business School (1996)
Skills and Experience	<ul style="list-style-type: none"> o Founder – Atlantic SGOIC, SA (2005) o Chairman and CEO – Morgan Stanley Portugal SGFIM SA (2001–2003) o Head of Morgan Stanley’s local operation in Portugal (1999–2003) o Manager – Morgan Stanley – Portugal (Holding) (2001–2003) o Management Committee – Morgan Stanley SV SA (Spain) (2000–2003) o Executive Director – Morgan Stanley International (2001–2003) o Board Member – Banco Chemical Finance (1998–1999) o Member of the Executive Committee – Banco Chemical Finance (1998–1999) o Managing Director – private banking division of Banco Pinto & Sotto Mayor (1996–1999) o Managing Director – private banking division of Banco Totta & Açores (nowadays Bank Santander Portugal) (1998–1999) o Chairman of the Board – MC Geste – Asset Management Company (latter on called Santander Gest SGP) (1997–1999) o Private banking director – Millennium BCP (1987–1996)
Company Background	General and Supervisory Board Member, in representation of China Three Gorges (Portugal), Sociedade Unipessoal, Lda, since April 2021
Current External Appointments	<ul style="list-style-type: none"> o Chairman and CEO – Atlantic SGOIC, SA (since 2005) o Board Member – Liminorke SA (since 2009) o Member – Oporto Municipal Assembly (since 2009) – Chairman from 2014 to 2021



Full Name	FELIPE FERNÁNDEZ FERNÁNDEZ
Status	Non-Independent
Position	General and Supervisory Board Member
Committees	<ul style="list-style-type: none"> ○ Remuneration Committee Member ○ USA Business Affairs Monitoring Committee Member
Academic Qualifications	Degree in Administrative and Economic Sciences – Bilbao University (1975)
Skills and Experience	<ul style="list-style-type: none"> ○ Professor of Business and Economic Faculty – Oviedo University (1984-1990) ○ Director of Economics and Regional Planning – Principality of Asturias (1984-1990) ○ Counsellor of Organization of the Territory and Housing – Principality of Asturias (1990-1991) ○ Counsellor of countryside and fishing – Principality of Asturias (1991-1993) ○ Manager on several companies on numerous fields
Company Background	<ul style="list-style-type: none"> ○ General and Supervisory Board Member in representation of Cajastur Inversiones SA, (February 2012 – April 2015) ○ General and Supervisory Board Member, in representation of DRAURSA, SA, since April 2018 (re-elected in April 2021)
Current External Appointments	<ul style="list-style-type: none"> ○ Board of Directors Member – Unicaja Banco (since 2011) ○ Board of Director Member – Tudela Veguín (since 2011) ○ Masaveu Inmobiliaria (2014) ○ Cimento Verde do Brasil (since 2014)





Full Name	FERNANDO MARÍA MASAVEU HERRERO
Status	Non-Independent
Position	General and Supervisory Board Member
Committees	Corporate Governance and Sustainability Committee Member
Academic Qualifications	Law Degree – Navarra University (1992)
Skills and Experience	Chairman on several companies of Masaveu Group in numerous fields such as energy, finance, industrial, cement and real state, among others
Company Background	General and Supervisory Board Member, since February 2012 (re-elected in April 2015, April 2018, and April 2021)
Current External Appointments	<ul style="list-style-type: none"> o Chairman – Masaveu Corporation o Chairman – Cementos Tudela Veguín o Chairman of the Board – Oppidum Capital o Chairman of the American companies – Masaveu Real Estate US Delaware LLC, Oppidum Renewables USA Inc and Oppidum Green Energy USA LLC o Board Member – American Cement Advisors Inc o Board Member – EGEO Internacional and EGEO, SGPS o Board Member – EDP España o Joint Manager – Flicka Forestal o Board Member – Bankinter o Executive Committee Member – Bankinter o Remuneration Committee Member – Bankinter o Board Member – Línea Directa Aseguradora o Chairman – Maria Cristina Masaveu Peterson Foundation o Chairman – San Ignacio de Loyola Foundation o Trustee – Princess of Asturias Foundation o Trustee – Pro-RAE Foundation o Delegate Committee Member – Princess of Asturias Foundation o Assets Committee Member – Princess of Asturias Foundation o Member of the International Council – MET, New York o International Trustee – Friends of the Prado Museum Association




Full Name	JOÃO CARVALHO DAS NEVES
Status	Independent
Position	General and Supervisory Board Member
Committees	<ul style="list-style-type: none"> o Remuneration Committee Member o Financial Matters Committee / Audit Committee Chairman
Academic Qualifications	<ul style="list-style-type: none"> o Ph D in Business Administration – Manchester Business School Manchester University (1992) o Master’s in management/MBA – ISEG – Institute of Economics and Management (1985) o Bachelor’s in business administration – ISEG Institute of Economics and Management – Lisbon University (1981) o Executive training: Finance and Control – IMD (1986) o Management Control – HEC Paris (1987) o International Finance – INSEAD (1987) o Leadership – Kennedy Harvard Government School (2009) o Leadership Development Program – Creative Leadership Center (2010) o Coaching for Performance – London Business School (2010) o Diploma in Advanced Mindfulness and Emotional Intelligence Teachers Training (2017) – Search Inside Yourself – Leadership Institute (SIYL) in San Francisco
Skills and Experience	<ul style="list-style-type: none"> o Certified accountant (1981) o Statutory Auditor (1995 Asked for voluntary suspension in 2022) o FRICS – Fellow of Royal Institution of Chartered Surveyors (2008) o Recognized European Valuer (REV) (2018) and Recognized Business Valuer (REV-BV) (2021) by TEGoVA o Certified Teacher of MBSR by the University of California San Diego Center for Mindfulness Professional Training Institute (MBPTI) (2016) o Member of the Board (as CFO) of Montepio Geral – Associação Mutualista (2022 – to date) o Vice-President of ISEG School Council (2021-2022) o Head of Scientific Area of Finance of ISEG (2020-2022) o Independent non-executive board member – Montepio – Valor SGOIC (2017-2022) o Member of the Board – ERES European Real Estate Society (2019-2021) o President of Central Administration of the Portuguese Health System (2011-2014) o Chairman of the Management Department – ISEG (2010-2011) o Board Member – BPN (2008) o CEO and CFO – SLN (2008-2009) o Chairman of the Management Department – ISEG (2007-2008) o Partner and Statutory Auditor – Neves, Azevedo Rodrigues e Batalha, SROC (1995-2008) o Judicial Manager of Torralta (1993-1998) Casino Hotel de Tróia (1994-1995) TVI (1997-1998) o Associate Consultant – Coopers & Lybrand (1992-1993) o General Manager and Trainer in Finance and Control – CIFAG/IPE (1987-1992) o Trainer for executives in Finance and Control – CIFAG/IPE (1985-1987) o Executive Deputy Controller – Cometna SA (1981-1985)

	Company Background	General and Supervisory Board Independent Member since April 2015 (re-elected in April 2018 and April 2021)
	Current External Appointments	<ul style="list-style-type: none"> o Board Member (CFO & Chief for Real Estate) of Montepio Geral – Associação Mutualista (since 2022) o President (non-executive) of MGA Montepio Gestão de Activos, SGOIC (since 2022) o Member of the Board of Trustees of Montepio Foundation (since 2022)

	Full Name	MARÍA DEL CARMEN FERNÁNDEZ ROZADO
	Status	Independent
	Position	General and Supervisory Board Member
	Committees	<ul style="list-style-type: none"> o Financial Matters Committee / Audit Committee Member o Corporate Governance and Sustainability Committee Member
	Academic Qualifications	<ul style="list-style-type: none"> o Degree in Economics and Business Administration and Political Sciences and Sociology - Complutense University of Madrid (1978) o PhD in Public Finance - Complutense University of Madrid (1998) o PADE Management Program MBA - IESE Business School (2004-05)
	Skills and Experience	<ul style="list-style-type: none"> o State Tax Inspector (1984) o Account Auditor (1988) o Chief-Inspector in Spanish Ministry of Economy and Finance (1985-86) o Deputy Head of the State Tax Inspection Office (1987- 96) o Head of the State Tax Inspection Office (1996-99) o President of the Task Force for Renewable Energies, Sustainability and Carbon Markets - ARIAE (1999-2011) o Member of the Advisory Board - Ernst & Young (2012-13)
	Company Background	General and Supervisory Board Independent Member since April 2015 (re-elected in April 2018 and April 2021)
	Current External Appointments	<ul style="list-style-type: none"> o Member of the executive committee – ACS group (since 2020) o Member of Audit Committee – ACS Group (since 2017) o Member of the Board – ACS Group (since 2017) o Member of The Appointments and Remuneration Committee – ACS group o Member of the Advisory Board - Beragua Capital (since 2015) o Member of the Board – Primafrío SL (since 2021) o Chairman of Audit committee – Primafrío SL (since 2021) o Member of The Appointments and Remuneration Committee – Primafrío SL (since 2021)

	Full Name	LAURIE LEE FITCH
	Status	Independent
	Position	General and Supervisory Board Member
	Committees	<ul style="list-style-type: none"> o Corporate Governance and Sustainability Committee Member o USA Business Affairs Monitoring Committee Member
	Academic Qualifications	<ul style="list-style-type: none"> o BA in Arabic – American University (1991) o MA – Georgetown University’s School of Foreign Service (1994)
	Skills and Experience	<ul style="list-style-type: none"> o Assistant Vice-President – Middle East and Africa Division of The Bank of New York (1994–1999) o Equity analys – Schroders (1999–2000) o Equity analys – UBS Warburg (2000–2002) o Director of Research, Analyst and Portfolio Manager at TIAA–CREF investing in the global utilities, renewables, and infrastructure sectors (2002–2006) o Partner and Senior Analyst at Artisan Partners investing in the utilities, renewables, infrastructure and industrials sectors (2006–2011) o Co-Head of Morgan Stanley’s Global Industrials Group in the Investment Banking Division (2012–2016) o Partner at the investment banking firm PJT Partners (since 2016) o Chairman of the Remuneration Committee and member of the safety and risk Committee – Enquest PLC (2018–2021)
	Company Background	<ul style="list-style-type: none"> o General and Supervisory Board Independent Member since April 2018 (re-elected in April 2018 and April 2021)
	Current External Appointments	<ul style="list-style-type: none"> o Member of both Audit and Finance & Operations Audit sub-committees – Tate Board of Trustees in London (since 2015) o Trustee of The American University in Cairo (since 2019) o Partner at the investment banking firm PJT Partners (since 2016) where she advises utilities and industrials chief executives and their boards on long term value creation in the energy transition o Board Chair of Georgetown University’s Center for Contemporary Arab Studies

	Full Name	ESMERALDA DA SILVA SANTOS DOURADO
	Status	Independent
	Position	General and Supervisory Board Member
	Committees	<ul style="list-style-type: none"> o Remuneration Committee Member o USA Business Affairs Monitoring Committee Member
	Academic Qualifications	<ul style="list-style-type: none"> o Degree in Chemical Industry Engineering – Instituto Superior Técnico (1975) o Advanced Corporate Finance – Harvard University (1985)
	Skills and Experience	<ul style="list-style-type: none"> o Responsible for Glass Industrial Area and New Business Development (1978-1985) o Vice-President and Chief Corporate Banking Head – Citibank (1985 – 1990) o Board Member Banco FONSECAS & BURNAY, União de Bancos Portugueses and Interbanco (currently Banco Santander Consumer Portugal) o CEO – SAG SGPS SA Portugal (2000-2009), SAG SGPS SA Brazil (2000-2009), PARTAC SGPS SA (2018-2021) o Non-Executive Board Member and Member of the investment Committee –BCP Capital SA (2013-2020) o Chairwoman – PNCR – Bank Credit Restructuring Platform, ACE (2018-2020) o CEO – FAE – Forum de Administradores e Gestores de Empresas (2007-2013) o Member of Executive Committee – EMCE – Mission Structure for Company Capitalization (2015-2017) o President of Supervisory Board – Fundação Luso-Brasileira (2005-) o CEO – AMC – Associação Missão Crescimento (2013-2015) o Member of the General Council – Universidade de Coimbra (2017-2020) o Non-Executive Board Member and Audit Committee Chairwoman – TAP SGPS S.A. (2017-2021)
	Company Background	General and Supervisory Board independent Member since April 2021
	Current External Appointments	<ul style="list-style-type: none"> o Supervisory Member Board – Mystic Invest Holding SA (2018 – to date) o Chairwoman Advisory Board ACTIVE CAP – Capital Partners, SA (2021 – to date)



Full Name	HELENA SOFIA SALGADO PINTO
Status	Independent
Position	General and Supervisory Board Member
Committees	<ul style="list-style-type: none"> o Financial Matters Committee/ Committee Member o USA Business Affairs Monitoring Committee Member
Academic Qualifications	<ul style="list-style-type: none"> o PhD in Business Studies – Warwick University (UK) o MSc and BSc in Management – Universidade Católica Portuguesa o High Potentials Leadership Program Certificate – Harvard (2012) o International Directors Program – INSEAD (2019)
Skills and Experience	<ul style="list-style-type: none"> o DEan – Católica Porto Business School (2013 – 2020) o Professor – Católica Porto Business School (since 1997) o Hospitality and Entertainment Industry o Author of a book, book chapters, articles, and opinion articles
Company Background	<ul style="list-style-type: none"> o General and Supervisory Board independent Member since April 2021
Current External Appointments	<ul style="list-style-type: none"> o Independent Board Member – Mota-Engil SGPS (Since April 2018) o President of the Fiscal Board – Media Capital, SA (since November 2020) o Member of the EQUIS Board – EFMD (Brussels) (since 2019) o Member of the International Advisory Board of 2 international Business Schools in UK (since 2019) and France (since 2020) o Member – Porto Coordination Group of ACEGE (Association of Christian Managers) (since 2013) o Member – Diocesan Commission for the Interreligious Dialogue (since 2020) o Non-executive member of the board at Fundação AEP (since March 2022)




Full Name	SANDRINE DIXSON-DECLÈVE
Status	Independent
Position	General and Supervisory Board Member
Committees	Corporate Governance and Sustainability Committee Member
Academic Qualifications	<ul style="list-style-type: none"> o Faculty, Cambridge Institute for Sustainability Leadership o Advisory Board, Imperial College, Leonardo Centre on Business and Society o Former Chair, Advisory Board, Bartlett School, University College London (UCL) o Masters in Environmental Sciences o Double BA in International Relations & French Literature
Skills and Experience	<ul style="list-style-type: none"> o Advisory Board, Laudes Foundation (2021- 2022) o TEG Sustainable Finance Taxonomy and Sustainable Finance Platform (DGFISMA) (2018-2022) o Food Summit Action Track 5 Resilience - United Nations (2020-2021) o Assembly Member - Climate Mitigation & Adaptation Mission (DGR&I) (2019-2020) o Senior Associate - E3G (2017-2021) o Co-founder - Women Enablers Change Agent Network (WECAN) (since 2017) o Chief Partnership Officer - UN Agency Sustainable Energy for All 2016-2017 o Director - Prince of Wales's Corporate Leaders Group (2009 - 2016) o EU office - Cambridge Institute for Sustainability Leadership (2009-2016) o Executive Director - Green Growth Platform (2013-2016) o Advising - HRH The Prince of Wales (2009-2016) o Advising - Members of the European Parliament, European Commission Presidents, Commissioners and officials, Governments in Asia, Africa and the Middle East, international organizations (OPEC, ADB, OECD, UNEP, USAID, UNFCCC, IEA) and business leaders of large international, European, and African companies (1990- Ongoing) o Vice Chair - European Biofuels Technology Platform (2008-2016) o Board member - We Mean Business (2014-2016) o Member - The Guardian's Sustainable Business Advisory Board (2014-2016) o Member of Sustainability Advisory Board - Oil and Gas major Sasol (2007-2010) o Published "Earth for All: A Survival Guide for Humanity" (New Society Publishers 2022), "Quei Monde Pour Demain" (Luc Pire 2021). Has published OpEd's, articles, book chapters and given presentations on transformational economics, the just transition, sustainable finance, green growth and competitiveness, innovation, low carbon energy solutions, climate change, sustainable develop- ment, transport, conventional and alternative fuel quality legislation as well as on trade & environment (1990-Ongoing) o Recognised by GreenBiz GreenBiz as one of the 30 most influential women across the globe driving change in the low carbon economy and promoting green business Bring together business leaders, policy makers, academia and NGO's
Company Background	<ul style="list-style-type: none"> o General and Supervisory Board Independent Member since April 2021

Current External Appointments

- Co-President – The Club of Rome (2018–Ongoing)
- Chair, Expert Group on Economic and Societal Impact of Research & Innovation (ESIR) – European Commission (2020–Ongoing)
- Senior Associate and faculty Member – Cambridge Institute for Sustainability Leadership (CISL) (2016–Ongoing)
- EU Ambassador – Energy Transition Commission (ETC) 2018–Ongoing
- Global Ambassador, Well-being Economy Alliance (2020–Ongoing)
- Advisory Boards: Leonardo Centre on Business for Society– Imperial College London (2022–Ongoing); Friendship Belgium (2022–Ongoing); BMW (2020– Ongoing); IEEP (2020– Ongoing); UCB (2020– Ongoing); ClimateKic (2018– Ongoing)



Full Name	ZILI SHAO
Status	Independent
Position	General and Supervisory Board Member
Committees	Remuneration Committee Member
Academic Qualifications	<ul style="list-style-type: none"> o Bachelor of Laws – China University of Political Science and Law (1980–1984) o LLM – University of Melbourne (1988–1991)
Skills and Experience	<ul style="list-style-type: none"> o Citic Group, Beijing (1984–1986) o Solicitor – Mallesons Stephen Jaques, Melbourne (1990–1994) o Partner – Allens Arthur Robinson, Sydney (1995–1998) o Partner – Linklaters LLP Managing Partner of Asia Pacific Member of Global Management Committee (1998 – 2009) o Chairman & CEO – JP Morgan China (2010–2014) o Vice Chairman – JP Morgan Asia Pacific (2014–2015) o Co-Chairman and partner – King & Wood Mallesons, China (2015–2017) o Qualified lawyer – PRC, UK, HK and Australia
Company Background	General and Supervisory Board Independent Member, since April 2021
Current External Appointments	<ul style="list-style-type: none"> o Independent Director – Bank of Montreal (China) Limited, subsidiary bank of BMO Financial Group (since December 2016) o Independent Director – Yum China Holdings, Inc, listed in New York and Hong Kong Stock Exchanges (since October 2016) o Founder and Chairman – MountVue Capital Management Co Ltd (since 2017)


	Full Name	LUÍS MARIA VIANA PALHA DA SILVA
	Status	Independent
	Position	General and Supervisory Board Member
	Committees	-
	Academic Qualifications	<ul style="list-style-type: none"> o Degree in Economics – Higher Institute of Economics (1978) o Degree in Management – Portuguese Catholic University (1981)
	Skills and Experience	<ul style="list-style-type: none"> o CFO – Covina – Companhia Vidreira Nacional, SARL (1987–91) o Member of the Board of Directors – IPE – Investimentos e Participações Empresariais, SGPS, SA (1991) o Secretary of State for Trade (1991–95) o CFO – CIMPOR – Cimentos de Portugal, SGPS, SA (1997–2001) o CFO and CEO – Jerónimo Martins (2001–11), Advanced Management Program – University of Pennsylvania (2005) o Vice-Chairman of the Board of Directors – Galp Energia, SGPS, SA (2012–15) o Member of the Board of Directors – Oi, SA (2015–18) o Chairman of the Board – AEM – Associação dos Emitentes Portuguese (2013–14) o Non-executive Member of the Board of Directors – NYSE Euronext (2011–16) o Member of the Audit Committee – NYSE Euronext (2013–14) o Chairman – APETRO – Associação Portuguesa de Empresas Petrolíferas (2012–15)
	Company Background	<ul style="list-style-type: none"> o General and Supervisory Board Member since April 2019 (re-elected in April 2021) o Chairman of the Board of the General Shareholders' Meeting of EDP since April 2019 (re-elected in April 2021)
	Current External Appointments	<ul style="list-style-type: none"> o Pharol, SGPS, SA (Chairman of the Board of Directors and CEO) (2015–to date) o Bratel BV (2015–...) and Bratel Sàrl (Director) (2018–to date) o Nutrinveste, SGPS, SA (Non-executive Board Member) (2018–to date) o Chairman of the Audit Committee of Fórum para a Competitividade (2015–to date)

Executive Board of Directors

	Full Name	MIGUEL STILWELL DE ANDRADE
	Position	CEO – EDP Energias de Portugal S.A. (“EDP”)
	Academic Qualifications	<ul style="list-style-type: none"> o MBA - MIT Sloan (2003) o MEng with Distinction - University of Strathclyde (1998)
	Other positions and Experience	<ul style="list-style-type: none"> o Vice-Chairman of Board of Directors and CEO – EDP Renováveis, S.A. (current) o Interim CEO - EDP. (2020-2021) o CFO - EDP. (2018-2021) o Member of Executive Board of Directors - EDP (since 2012) o Member of Board of Directors – EDP - Energias do Brasil (2018-2020) o CEO - EDP Comercial – Comercialização de Energia, S.A and EDP Soluções Comerciais, S.A. (2012-2018) o CEO – EDP España, S.A.U (formerly Hidroeléctrica del Cantábrico) (2012-2018) o CEO – Naturgás Energia Grupo (2012-2015) o Member of Board of Directors - E-Redes (2009-2012) o Member of Board of Directors – EDP Inovação, S.A. (2007 -2012) o Strategy, M&A and Corporate Development - EDP (2000-2001 and 2003-2009) o UBS Investment Bank (1998-2000)
Current External Appointments	<ul style="list-style-type: none"> o Member of the Executive Committee of WBCSD o Member of the General Board of AEM - Association of Listed Companies o Member of the Board of Governors – St. Julian’s School 	



Full Name	MIGUEL NUNO SIMÕES NUNES FERREIRA SETAS
Position	Member of Executive Board of Directors – EDP – Energias de Portugal S.A. (“EDP”)
Academic Qualifications	<ul style="list-style-type: none"> o Executive Training – Harvard, Wharton, IESE, CEIBS (2019) o MBA – Nova University, Lisbon (1996) o Electrical and Computing Engineering Masters – Instituto Superior Técnico (1995) o Physics Engineering Degree – Instituto Superior Técnico (1993)
Other positions and Experience	<ul style="list-style-type: none"> o Chairman of Board of Directors – EDP – Energias do Brasil, S.A. (current) o Chairman of Board of Directors – EDP Redes España (current) o Member of Board of Directors – EDP Renováveis, S.A. (current) o Member of Board of Directors – EDP España, S.A.U. (current) o Member of Executive Board of Directors – EDP (since 2015) o CEO – EDP – Gestão da Produção de Energia, S.A. (2020-2021) o CEO – EDP Energias do Brasil, S.A. (2014-2021) o Vice-Chairman of Board of Directors – EDP – Energias do Brasil, S.A. (2008-2013) o Member of Executive Board of Directors – EDP Inovação, S.A. (2007-2008 and 2012-2014) o Member of Executive Board of Directors – EDP Comercial – Comercialização de Energia, S.A. (2007-2008) o Chief of Staff to the CEO – EDP – Energias de Portugal, S.A. (2006-2007) o Member of Board of Directors – Comboios de Portugal (2004-2006) o Strategic Marketing Director – Galp Energia (2001-2004) o Member of Executive Board of Directors – LisboaGás (2000-2001) o Member of Board of Directors – Setgás (1999-2001) o Corporate Director – GDP Gás de Portugal (1998) o McKinsey & Company (1995-1997)
Current External Appointments	<ul style="list-style-type: none"> o Vice – Chairman of the Board – BCSD Portugal o Independent Board Member – Brazilian Petroleum and Gas Institute

	Full Name	RUI MANUEL RODRIGUES LOPES TEIXEIRA
	Position	CFO – EDP Energias de Portugal S.A. (“EDP”)
	Academic Qualifications	<ul style="list-style-type: none"> o Advanced Management Programme – Harvard Business School (2013) o MBA – Nova University, Lisbon (2001) o Naval Architecture and Marine Engineering Graduate – Instituto Superior Técnico, Lisbon (1995)
	Other Positions and Experience	<ul style="list-style-type: none"> o CFO – EDP Renováveis, S.A. (current) o Member of Executive Board of Directors – Ocean Winds (current) o Member of Board of Directors – EDP – Energias do Brasil, S.A (current) o Member of Executive Board of Directors – EDP (since 2015) o CEO – EDP España S.A.U. (2018-2021) o CEO – EDP - Gestão da Produção de Energia, S.A. (2015-2020) o Member of Board of Directors – EDP Renováveis, S.A. (2008-2015) o Head of Corporate Planning and Control – EDP (2004-2007) o Consultant – McKinsey & Company (2001-2004) o Project Manager – Det Norske Veritas (1997-2001) o Gellweiler – Sociedade de Equipamentos Marítimos e Industriais, Lda (1996-1997)
	Current External Appointments	<ul style="list-style-type: none"> o Board Member – OMIP SGPS, S.A. and OMEL o Strategic Board Member – ISEG MBA

	Full Name	VERA DE MORAIS PINTO PEREIRA CARNEIRO
	Position	Member of Executive Board of Directors – EDP – Energias de Portugal S.A.
	Academic Qualifications	<ul style="list-style-type: none"> o Executive Education Program – Harvard Business School (2021) o MBA - INSEAD Fontainebleau (2000) o Economics Degree and Post-Graduate Degree - Nova University, Lisbon (1996 and 1998) o
	Other Positions and Experience	<ul style="list-style-type: none"> o CEO – EDP Comercial – Comercialização de Energia, S.A. (current) o CEO – Fundação EDP (current) o Member of Board of Directors – EDP Energias do Brasil, S.A. (current) o Member of Board of Directors – EDP Renováveis S.A. (current) o Member of Board of Directors – EDP España S.A.U. (current) o Executive Vice-President and General Director Portugal & Spain and Member of Executive Leadership Team Europe & Africa – Fox Networks Group (2014–2018) o Member of Board of Directors – Palsa Media (2014–2018) o Head of TV Business Unit – MEO (2007–2014) o Head of TV Business Unit – TV Cabo – PT Multimédia (2003–2007) o Founder – Innovagency Consulting (2001–2003) o Mercer Management Consulting (today Oliver Wyman) (1996–1999)
	Current External Appointments	<ul style="list-style-type: none"> o Board Member – Charge Up Europe o Board Member – Fundação Alfredo de Sousa o Board Member – Portuguese Institute of Corporate Governance



Full Name	ANA PAULA GARRIDO DE PINA MARQUES
Position	Member of Executive Board of Directors – EDP – Energias de Portugal S.A.
Academic Qualifications	<ul style="list-style-type: none"> o Executive Education Programs – Harvard Business School, IMD, LBS (2009, 2008, 2005) o MBA – INSEAD (2002) o Degree in Economics – Faculdade de Economia do Porto (1991-1996)
Other Positions and Experience	<ul style="list-style-type: none"> o CEO – EDP – Gestão da Produção de Energia, S.A. (current) o CEO – EDP España, S.A.U. (current) o CEO – EDP Labeltec - Estudos, Desenvolvimento e Actividades Laboratoriais, S.A. (current) o Chairman of Board of Directors – EDP Inovação, S.A. (current) o Member of Board of Directors – EDP Energias do Brasil, S.A. (current) o Member of Board of Directors – EDP Renováveis, S.A (current) o Executive Vice-President – NOS (2019-2021) o Executive Board Member – NOS (2013-2019) o Non-Executive Board Member – SportTV (2016-2020) o President – APRITEL (Portuguese Association of Telecom Operators) (2011-2014) o Executive Board Member – Optimus (2010-2013) o Marketing and Sales Director (Mobile Residential Business Unit) and Brand Director – Optimus (2002-2008) o SMEs Business Unit Director – Optimus (1998-2001) o Marketing – Procter & Gamble (1996-1998)
Current External Appointments	<ul style="list-style-type: none"> o Board Member – Eurelectric o President of the Board – Elecpor o Member of the Executive Committee – AELEC o Board Member – ENERCLUB o Member of the Executive Committee – Enerclub (Club Español de la Energía) o Board Member – COTEC Portugal o Board Member – Portuguese Institute of Corporate Governance o Board Member – Porto Business School o Guest Professor – Faculdade de Economia do Porto & Porto Business School

ANNEX II

Meetings of the General and Supervisory Board and each member's attendance:

NAME	17-FEB	11-MAR	07-APR	05-MAY	21-JUN	28-JUL	29-SEP	27-OCT	30-NOV	15-DEC	%
JOÃO TALONE	P	P	P	P	P	P	P	P	P	P	100
Dingming Zhang	R	R	R	R	R	R	R	R	R	R	100
Esmeralda Dourado	P	P	P	P	P	P	P	R	P	P	100
Felipe Fernández Fernández	P	P	P	P	P	P	P	P	P	p	100
Fernando Masaveu	P	P	P	P	R	P	P	P	P	P	100
Ignácio Herrero	P	P	P	P	P	P	P	P	P	P	100
João Carvalho das Neves	P	P	P	P	P	P	R	P	A	P	90
Hui Zhang (*)	-	-	-	-	-	-	-	-	-	P	100
Laurie Fitch	P	P	P	P	P	P	R	P	P	P	100
Li Li (*)	R	P	R	P	R	R	-	-	-	-	100
Luís Palha da Silva	P	P	P	P	P	P	P	P	P	P	100
María del Carmen Rozado	P	P	P	P	P	P	P	P	P	P	100
Miguel Pereira Leite	P	P	P	P	P	P	P	P	P	P	100
Sandrine Dixson-Declève	P	P	P	P	P	P	A	P	P	R	90
Shengliang Wu	P	P	P	P	P	P	P	P	R	R	100
Sofia Salgado Pinto	P	P	P	P	P	P	P	P	P	P	100
Zili Shao	P	P	P	P	P	P	R	P	P	P	100

P = Present; A = Absent; R = Represented

Average participation: 99% (includes present and represented)

(*) Ms. Li Li was a member of the General and Supervisory Board until 5 August 2022, when she resigned as a representative member of this Board, being replaced by Mrs. Hui Zhang, with effects from 2 December 2022.

ANNEX III

Meetings of the Executive Board of Directors and each member's attendance:

NAME	04-JAN	11-JAN	18-JAN	26-JAN	01-FEB	08-FEB	11-FEB	15-FEB	17-FEB	22-FEB	02-MAR	08-MAR	15-MAR	22-MAR
MIGUEL STILWELL DE ANDRADE	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Miguel Nuno Simões Nunes Ferreira Setas	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Rui Manuel Rodrigues Lopes Teixeira	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Vera Pinto Pereira Carneiro	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Ana Paula Garrido de Pina Marques	P	P	P	P	P	P	P	P	P	P	P	P	P	P

NAME	29-MAR	05-APR	12-APR	19-APR	26-APR	28-APR	03-MAY	05-MAY	10-MAY	17-MAY	20-MAY	24-MAY	31-MAY	07-JUN
MIGUEL STILWELL DE ANDRADE	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Miguel Nuno Simões Nunes Ferreira Setas	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Rui Manuel Rodrigues Lopes Teixeira	P	P	A	P	P	P	P	P	P	P	P	P	P	P
Vera Pinto Pereira Carneiro	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Ana Paula Garrido de Pina Marques	P	P	P	P	P	P	P	P	P	P	A	P	P	P

NAME	14-JUN	20-JUN	28-JUN	05-JUL	06-JUL	12-JUL	19-JUL	25-JUL	26-JUL	28-JUL	23-AUG	30-AUG	06-SEP	13-SEP
MIGUEL STILWELL DE ANDRADE	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Miguel Nuno Simões Nunes Ferreira Setas	P	P	P	P	P	P	P	P	P	P	A	P	A	P
Rui Manuel Rodrigues Lopes Teixeira	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Vera Pinto Pereira Carneiro	P	P	P	P	P	A	P	P	P	P	P	P	P	P
Ana Paula Garrido de Pina Marques	P	P	P	P	P	P	P	P	P	P	P	P	P	P

NAME	23-SEP	27-SEP	30-SEP	04-OCT	11-OCT	18-OCT	24-OCT	25-OCT	27-OCT	02-NOV	08-NOV	15-NOV	23-NOV	29-NOV
MIGUEL STILWELL DE ANDRADE	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Miguel Nuno Simões Nunes Ferreira Setas	P	P	P	P	P	P	P	P	P	P	P	A	P	P
Rui Manuel Rodrigues Lopes Teixeira	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Vera Pinto Pereira Carneiro	P	P	P	P	P	A	P	P	P	P	P	P	P	P
Ana Paula Garrido de Pina Marques	P	P	P	P	P	P	P	P	P	A	P	P	P	P

NAME	06-DEC	14-DEC	21-DEC	%
MIGUEL STILWELL DE ANDRADE	P	P	P	100%
Miguel Nuno Simões Nunes Ferreira Setas	P	P	P	94,9%
Rui Manuel Rodrigues Lopes Teixeira	P	P	P	98,3%
Vera Pinto Pereira Carneiro	P	P	P	96,6%
Ana Paula Garrido de Pina Marques	P	P	P	96,6%

P = Presence; A = Absent

Total meetings held in 2022: 59

Average participation: 97,3%

ANNEX IV

Positions held by the members of the Executive Board of Directors in other companies belonging or not to the EDP Group:

	MIGUEL STILWELL ANDRADE	MIGUEL SETAS	RUI TEIXEIRA	VERA PINTO PEREIRA	ANA PAULA MARQUES
CNET – Centre for New Energy Technologies, S.A.	-	-	-	-	CBD
Comercializadora Energética Sostenible, S.A.U.	-	-	-	-	R
EDP – Energias de Portugal Sociedade Anónima, Sucursal en España	PR	RP	PR	RP	RP
EDP – Energias do Brasil, S.A.	-	CBD	D	D	D
EDP – Gestão da Produção de Energia, S.A.	-	-	-	-	CBD
EDP Comercial – Comercialização de Energia, S.A.	-	-	-	CBD	-
EDP España, S.A.U.	-	D	D	D	VP/MD
EDP Finance BV	R	R	R	R	R
EDP GEM Portugal, S.A.	-	-	CBD	-	-
EDP Iberia, S.L.U.	-	-	-	-	CBD
EDP IS – Investimentos e Serviços, Sociedade Unipessoal, Lda.	-	-	M	-	-
EDP Redes España, S.L.U.	-	CBD	-	-	-
EDP Renewables Europe S.L.U.	CBD	-	VP	-	-
EDP Renováveis Brasil, S.A.	CBD	-	D	-	-
EDP Renováveis Servicios Financieros S.A.	-	-	CBD	-	-

	MIGUEL STILWELL ANDRADE	MIGUEL SETAS	RUI TEIXEIRA	VERA PINTO PEREIRA	ANA PAULA MARQUES
EDP Renováveis, S.A.	VP/CD	D	D	D	D
EDP Solar España, S.A.U.	-	-	-	R	-
EDP Ventures Brasil S.A.	-	-	-	-	CBD
EDP Ventures España, S.A.	-	-	-	-	CBD
Empresa Hidroeléctrica do Guadiana, S.A.	-	-	-	-	CBD
Labelec – Estudos, Desenvolvimento e Actividades Laboratoriais, S.A.	-	-	-	-	CBD
OW Offshore S.L.U.	-	-	VP	-	-
SCNET – Sino-Portuguese Centre for Energy Technologies (Shanghai) co., Ltd.	-	-	-	-	D
Transporte GNL, S.A.U.	-	-	-	-	R
OMIP – Operador do Mercado Ibérico (Portugal), SGPS, S.A.	-	-	D	-	-
Operador del Mercado Ibérico de Energía, Polo Español, S.A. (OMEL)	-	-	D	-	-
Viesgo Infraestructuras Energéticas, S.L.U.	-	CBD	-	-	-

D – Director

M – Manager

CBD – Chairman of the Board of Directors

R – Representative

PR – Permanent Representative

VP – Vice-President

VP/MD – Vice-President and Managing Director

ANNEX V

Attendance list of the Financial Matters Committee/Audit Committee

NAME	26-JAN	11-FEB	17-FEB	03-MAR	17-MAR	29-MAR	07-APR	28-APR	05-MAY	30-JUN	25-JUL	28-JUL	27-SEP	24-OCT	27-OCT	12-DEC	%
JOÃO CARVALHO DAS NEVES	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100
Maria del Carmen Fernandez Rozado	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100
Helena Sofia Salgado Cerveira Pinto	P	P	P	P	P	P	P	P	P	P	P	P	P	R	P	P	100

P = Present; A = Absent; R = Represented

Average participation: 100% (includes present and represented)

Attendance list of the Remuneration Committee

NAME	13-JAN	10-FEB	01-APR	05-APR	22-APR	27-OCT	%
MIGUEL PEREIRA LEITE	P	P	P	P	P	P	100
Esmeralda Dourado	R	P	P	P	P	R	100
Felipe Fernández Fernández	P	R	P	P	P	A	83
João Carvalho das Neves	P	P	P	P	P	P	100
Zili Shao ¹	P	P	P	P	P	P	100

P = Present; A = Absent; R = Represented

Average participation: 97% (includes present and represented)

Attendance list of the Corporate Governance and Sustainability Committee

NOME	16-FEB	04-MAY	27-JUL	26-OCT	14-DEC	%
JOÃO TALONE	P	P	P	P	P	100
Fernando Masaveu Herrero	P	R	A	P	P	80
Ignácio Herrero	P	P	P	P	P	100
Laurie Fitch	P	P	P	P	P	100
Li Li (*)	P	P	R	-	-	100
María del Carmen Rozado	P	P	P	P	P	100
Sandrine Dixson-Declève	P	P	P	P	A	80

P = Present; A = Absent; R = Represented

Average participation: 94% (includes present and represented)

(*) Ms. Li Li was a member of the Corporate Governance and Sustainability Committee until 5 August 2022, when she resigned as a representative of a member of the General and Supervisory Board.

Attendance list of the United States of America Business Affairs Monitoring Committee

NOME	16-FEB	06-APR	24-MAY	27-JUL	18-OCT	13-DEC	%
JOÃO TALONE	P	P	P	P	P	P	100
Esmeralda Dourado	P	P	R	P	P	P	100
Felipe Fernández Fernández	P	A	P	P	P	P	83
Laurie Fitch	P	P	P	P	P	P	100
Sofia Salgado Pinto	P	P	P	P	P	P	100

P = Present; A = Absent; R = Represented

Average participation: 97% (includes present and represented)

Our change



Part IV

Remunerations Report



Offshore Floating Solar Farm – Singapura

Remunerations Report

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This Remuneration Report aims to provide a comprehensive and integrated description of the remuneration earned by the members of the governing bodies and bodies of EDP – Energias de Portugal, SA (“EDP” or “Company”), including all benefits, regardless of the respective form, attributed or due during the 2022 financial year.

As provided for in the EDP Articles of Association until the amendments resulting from the General Meeting held on 14 April 2021, the remuneration of the members of the governing bodies was fixed by a Remuneration Committee appointed by the General Meeting, with the exception of the remuneration of the members of the Board of Directors Executive Board, which were set by a Remuneration Committee appointed by the General and Supervisory Board. These Committees submitted annually to the General Shareholders’ Meeting a declaration on the remuneration policy of the members of the governing bodies, pursuant to the provisions of paragraph 1 of article 2 of Law no. 28/2009, of 19 June.

With the entry into force of Law no. 50/2020, of 25 August, which transposed Directive (EU) no. 2017/828 of the European Parliament and of the Council of 17 May 2017, the Remuneration Committee is responsible to submit to the Company’s General Shareholders’ Meeting a proposal for a Remuneration Policy for the Members of the Governing Bodies.

Following the General Meeting held on 14 April 2021, the proposal for the remuneration policy of the members of the governing bodies submitted by the Remuneration Committee appointed by the General Meeting, the proposed policy remuneration of the members of the Executive Board of Directors, which was submitted by the Remuneration

Committee appointed by the General and Supervisory Board, the last two respectively by 98.69% and 98.58%.

At the General Meeting of April 6, 2022, the individual and consolidated financial statements for 2021, including the sole management report (including chapter on corporate governance and the remuneration report), the individual and consolidated accounts and the annual report and the opinion of the General and Supervisory Board (which includes the annual report of the Financial Matters/Audit Committee) and the legal certification of the individual and consolidated accounts were approved by the majority of the votes cast (98.66% of votes in favour).

A. Remuneration policy applicable to members of the Executive Board of Directors approved by the Remuneration Committee appointed by the General and Supervisory Board

Procedures for adopting the policy

Until the General Shareholders’ Meeting held on 14 April 2021, the definition of the remuneration policy for the members of the management body was defined by the Remuneration Committee appointed by the General and Supervisory Board, which established a fixed component and a variable component. Regarding the variable component, this Committee established the remuneration to be awarded to the directors, seeking to ensure that it reflected the performance of each of the members of the Executive Board of Directors in each year of the mandate (annual variable remuneration), as well as their performance for the entire term of office, by setting a variable component

consistent with maximizing EDP’s long-term performance (multi-annual variable remuneration). The remuneration policy was revised annually¹ and, with the same periodicity, was subject to the General Shareholders’ Meeting appreciation.

At the General Shareholders’ Meeting held on 14 April 2021 approved the proposed remuneration² policy for the members of the Executive Board of Directors, submitted by the Remuneration Committee appointed by the General and Supervisory Board.

As stated in the remuneration policy for the members of the Executive Board of Directors prepared by the Remuneration Committee appointed by the General and Supervisory Board, under the terms of Law no. 50/2020, 25 August, and considering the Corporate Governance Code of the Portuguese Institute of Corporate Governance (IPCG) adopted by EDP, the beginning of a mandate with a new Executive Board of Directors, and also the approval of a new business plan and the feedback received from analysts and investors on the remuneration system of the Executive Board of Directors, understood the Remuneration Committee of the General and Supervisory Board it was opportune to review the Remuneration Policy of the Executive Board of Directors, submitting the proposal for the Remuneration Policy of the Executive Board of Directors of EDP resulting from the aforementioned revision to the EDP General Shareholders’ Meeting of 14 April 2021 for approval.

The policy review work that gave rise to the proposal presented to the General Shareholders’ Meeting was also based on the conclusions of a study requested by the Remuneration Committee of the General and Supervisory Board and carried out by an independent consultant, as well as on the advice obtained by the aforementioned Committee

¹ For more information, see: Remuneration Report EDP 2020 e Remuneration Policy Statement submitted to the General Shareholders Meeting from April 16th 2020

² For more information, see: Remuneration Policy approved at the General Shareholders Meeting of April 14th 2021

in relation to corporate governance matters, good international practices and, in general, the matter of remuneration policy as an instrument to promote the business strategy and the long-term and sustainability interests of EDP, provided by a law firm, based on a benchmark analysis of the remuneration model, both qualitative and quantitative, of companies in the PSI 20 Index and comparable companies in the international electricity sector.

In the proposed Executive Board of Directors' Remuneration Policy, the evolution of the remuneration system for directors and other EDP employees, the reduction in the number of members of the Executive Board of Directors, with the functional reorganization of that Board and consequent increase in responsibilities resulting therefrom, in particular for the global lower remuneration level of the Executive Board of Directors, also taking into account the reasonable expectations of its members, elected in January 2021, regarding the remuneration model and its adequacy and competitiveness. The consideration of employment conditions and the remuneration model for EDP's workers and the economic and financial situation in the country and worldwide also contributed to this end. In fact, the consideration of these elements advised that, on that occasion, and without prejudice to the reduction in the number of levels of fixed remuneration of the members of the Executive Board of Directors, as described below, no further review of the fixed component of the remuneration should be carried out. of the members of the Executive Board of Directors, with the impact that such an option has on the other components of the remuneration, although from the point of view of analysing the functions of the current five members of the Executive Board of Directors and the sector benchmark, such a review could prove to be appropriate.

EDP, as the apex of a responsible multinational business group ("Group") has a solid governing culture that ensures

the management, monitoring, control, and supervision of the risks that the Group, its shareholders, employees, customers and, in general, all its stakeholders face, including those arising from the remuneration systems it adopts. EDP adopts remuneration practices transversal to the Group, consistent and based on common principles, which comply with the regulations applicable in the jurisdictions where it carries out its activity.

EDP's remuneration systems, including those of the Executive Board of Directors, are defined to promote a culture of merit and high performance that ensures that people and teams are recognized, encouraged and rewarded according to their responsibility, availability, loyalty and competence placed at the service of EDP, guaranteeing action in line with the long-term interests of shareholders and its stakeholders and the promotion of sustainable performance by EDP aligned with ESG (Environment, Social and Governance) objectives.

The proposal for the Remuneration Policy for the members of the Executive Board of Directors was also aimed at simplification, transparency, and clarity, favouring a complete understanding of the framework of principles and rules that constitute it, which are applied by the Remuneration Committee of the General Board and Supervision.

Definition, review, and renewal of the Policy

The definition of the remuneration policy of the Executive Board of Directors is submitted for approval by the General Meeting of EDP, at the proposal of the Remuneration Committee of the General and Supervisory Board.

Changes to the Internal Regulations of the Remuneration Committee of the General and Supervisory Board include the process of reviewing and applying the Remuneration Policy

of the Executive Board of Directors, in accordance with the following principles:

- the Remuneration Committee of the General and Supervisory Board meets at least once a semester in order to monitor the situation of EDP in relevant matters for the purposes of determining and fixing the variable remuneration of the Chairman of the Executive Board of Directors and the other Directors and for the analysis of relevant information that may justify the consideration of adjustments to the application of the Remuneration Policy, proceeding as necessary and convenient to the hearing of the Financial Matters Committee/Audit Committee and the Corporate Governance and Sustainability Committee of the General and Supervisory Board, of the Executive Board of Directors or any of EDP's corporate body in terms of compliance, risk management and Human Resources;
- the definition and possible proposals for reviewing the Remuneration Policy are based on the articulation of EDP's long-term objectives, measured according to its strategic plan at any given moment, on the conclusions of comparative remuneration studies with national listed companies and with peers' foreign sectors and in an articulation of principles with the remuneration plan of other workers and employees of EDP;
- on an annual basis, the Remuneration Committee of the General and Supervisory Board will assess the opinions expressed by shareholders and analysts on EDP's Remuneration Policy or on the Remunerations Report;
- the Remuneration Committee of the General and Supervisory Board may hire the consultants and external support necessary to carry out studies on comparative remuneration and best corporate

governance practices within the scope of remuneration policies for directors, assessing their independence conditions to the provision of services that may be requested.

Without prejudice to (extraordinary) revision proposals, the Remuneration Committee of the General and Supervisory Board should, at least at the end of each term of office, when assessing compliance with the objectives set for the term in question, specifically analyse and decide on a reasoned basis, on the opportunity to propose the revision/update (ordinary) of the Remuneration Policy in any of its components, in order to ensure, at all times and with adequate agility, the fulfilment of the objective of the remuneration policy of retention and attraction of talent.

The review of the base remuneration must also imply the weighting, according to benchmark criteria, of the total remuneration model practiced by comparable companies, in order to always ensure that the remuneration model of the members of the Executive Board of Directors of EDP remains balanced, fair, and competitive.

Whenever a remuneration policy is proposed for reviewed, all relevant changes introduced will be described and how these changes reflect the votes and opinions expressed by shareholders on the remuneration policy, as well as the remuneration reports issued based on the aforementioned policy.

Principles and General Characteristics

The Remuneration Policy of the Executive Board of Directors of EDP aims to comply with the applicable legislation, also in terms of its content, under the terms of Article 26-C of the Securities Code, the IPCG Corporate Governance Code adopted by EDP and good international practices, being *mutatis mutandis* coherent and consistent with the

remuneration policy and remuneration practices applied to Group employees.

Regardless of the functions performed in companies of the Group, namely at EDP Renováveis, in accordance with the Remuneration policy of the members of the Executive Board of Directors, the members of this Board do not receive any remuneration or benefit from any other company of the Group, being exclusively remunerated through EDP. The remuneration of the members of the Executive Board of Directors must be aligned with the interests of shareholders, be focused on the creation of long-term value and be compatible with adequate and rigorous risk management, thus contributing to the Company's strategy, to its long-term values and interests and for its sustainability.

Total remuneration and the remuneration model, in general, must be competitive, aligned with the practices of the international electricity sector and the market, facilitating the attraction and retention of talent, and the commitment to the company's challenges and ambitions.

The competitiveness of the remuneration model/system of the Executive Board of Directors must be regularly and periodically assessed, namely through the analysis of the functions performed and benchmark exercises to be carried out with the support of independent entities, which is assumed to be done with a minimum triennial frequency, corresponding to the duration of the term-of-office of the Executive Board of Directors.

The Executive Board of Directors' Remuneration Policy ensures a (fixed) base remuneration, the payment of which is not dependent on performance evaluation, which must be fair, competitive, and sufficiently relevant in relation to the total remuneration, in order to allow greater flexibility in the conformation of the variable component of the remuneration.

The Remuneration Policy of the Executive Board of Directors comprises a variable remuneration, with an annual component, and a multi-annual component, with the nature of reward/incentive appropriate to the individual and collective performance of the members of the Executive Board of Directors and the promotion of good conduct, considering EDP's short- and long-term, financial, and non-financial objectives that are achieved, and the way in which they were achieved (pay for performance).

The annual variable component is linked to financial and non-financial objectives established in accordance with EDP's Annual Budget, measured annually, with an impact on the year and subject to evaluation and consequent repercussion in the following years, being paid in cash. The annual variable remuneration must be determined after the approval of EDP's accounts at the Annual General Meeting each year, by reference to the previous year/period of annual performance. The payment of the annual variable remuneration is partially deferred.

The multi-annual variable component is linked to the quantitative and qualitative objectives of EDP's Business Plan, the fulfilment of which will be evaluated at the end of a period of three years, with the respective payment subject to partial deferral. The multi-annual variable remuneration is paid exclusively in shares representing the share capital of EDP ("EDP Shares").

The determination of the variable annual and multi-annual remuneration of the members of the Executive Board of Directors in accordance with the Remuneration Policy is the responsibility of the Remuneration Committee of the General and Supervisory Board.

The payment of the variable remuneration is subject to the permanence of the member of the Executive Board of Directors at EDP until the end of the annual or three-year

period of relevant performance, without prejudice to the provisions of the Remuneration Policy.

In the event that EDP or members of the Executive Board of Directors are responsible, by shareholders or third parties, for intentional unlawful acts of management, the annual and multiannual variable remuneration of the directors in question may, by decision of the Remuneration Committee of the General and Supervisory Board, be suspended or not awarded, until such claims are determined and, in case they are considered valid, the variable remuneration paid during the period of practice of the facts, overdue, or to be awarded, will be reimbursed, retained or not awarded for compensation for damages caused up to the full amount thereof (malus and clawback clauses).

In assessing the annual and multi-annual performance of the members of the Executive Board of Directors and determining the amount of the variable remuneration due to them, the Remuneration Committee of the General and Supervisory Board may take into account exceptional circumstances with which EDP does not comply, caused by decisions of a political or administrative nature beyond the control of the members of the Executive Board of Directors, which have an impact on EDP's performance and level of achievement of objectives, neutralizing their impacts on annual and multi-annual performance metrics, provided that it ensures that, in case of reversal of the decisions of a political or administrative nature in question, by means of an arbitration, judicial or arbitration procedure, the members of the Executive Board of Directors will also not benefit from the effects of such reversal decision. Likewise, the Remuneration Committee of the General and Supervisory Board may consider other exceptional conjunctural and exogenous circumstances that EDP is faced with, which have an impact on the Company's performance and the level of achievement of objectives set for its members. of the Executive Board of

Directors, adjusting or justifiably adopting appropriate solutions to neutralize, for the benefit of EDP or the members of the Executive Board of Directors, as the case may be, in whole or in part, the impact of said consequences on annual and multi-annual performance metrics.

In addition to some of the benefits provided to EDP employees, which the members of the Executive Board of Directors also benefit from, the members of this Board must also benefit, by virtue of the duties performed and in accordance with market practices and EDP's culture from a set of additional benefits, of a non-financial nature.

As with EDP employees and in accordance with the legislation and Article 27(1) of EDP's Articles of Association, the Company must provide directors with a supplementary retirement pension due to old age or disability or, in its place, and in accordance with the practice consistently followed by the company, a retirement savings plan or equivalent instrument, namely a unit linked capitalization insurance.

The Financial Matters Committee / Audit Committee and the Corporate Governance and Sustainability Committee of the General and Supervisory Board shall, together with the Remuneration Committee of the General and Supervisory Board and at its request, monitor the adequacy and application of the Policy of Remuneration of the Executive Board of Directors and other documents, namely of a regulatory nature that develop it, with a view to ensuring its compliance with the legislation and internal policies and risk culture of EDP, as well as evaluating its effects on the appetite for risk and how such effects are managed.

The Remuneration Committee of the General and Supervisory Board ensures certification, by an independent entity, of the application of performance metrics in accordance with the approved Remuneration Policy.

Without prejudice to a proposal for an extraordinary review during the term of office according to benchmark criteria, the Remuneration Policy will be valid for a period of three years (2021-2023) and must be the subject of a proposal for renewal or revision to be submitted to the General Meeting of EDP to be held in 2024.

EDP's Executive Board of Directors Members do not enter into contracts, either with the Company or with third parties, the effect of which is to mitigate the risk associated with the variability of the remuneration determined for them by the Company.

Apart from the situations described in this Remuneration Report, there are no contracts in force at EDP that foreseeing payments in the event of dismissal or termination by agreement of the directors' duties.

Components of the remuneration of the members of the Executive Board of Directors

Fixed Component – Base Remuneration

The base remuneration of the members of the Executive Board of Directors must be aligned with the base remuneration practiced by a group of companies comparable with Executive Board of Directors, of the national market (PSI 20 Index) and of the international electricity sector, in terms of size, market capitalization, risk profile, relevance and geographic implantation, also considering, at all times, the complexity of the functions performed, the remuneration conditions of EDP workers and the non-increase of the average remuneration gap of the market between workers and managers.

Considering the reduction in the number of members of the Executive Board of Directors and the organizational / functional review of this structure with the consequent increase in responsibilities resulting therefrom, in particular the lower remuneration level of the Executive Board of Directors, the current Remuneration Policy has eliminated a remuneration level in the EBD, reducing, compared to the previous Remuneration Policy, from three to two, the levels of remuneration of the members of this Board, under the following terms:

- a. Annual base remuneration of the CEO: € 800,000.00; and
- b. Annual base remuneration of the other members of the Executive Board of Directors: € 560,000.00.

The base remuneration of the members of the Executive Board of Directors is paid in 14 monthly instalments.

Variable remuneration

The variable remuneration of the members of the Executive Board of Directors is based on the success of the short and long-term performance of EDP, pursuant to the budget and business plan in effect, considering the performance of that

Board and the individual performance of each member of the Executive Board of Directors, determined based on parameters of a financial and non-financial nature, individual and collective, absolute, and relative, in the terms indicated below.

Annual Component

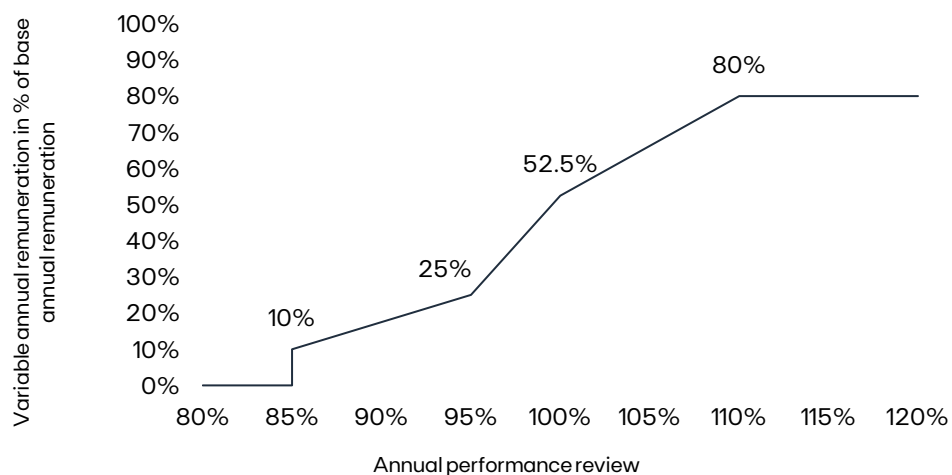
The maximum annual variable remuneration may not be higher than 80% of the base remuneration in force in the year to which the referred annual variable remuneration refers, being determined, and falling due, after the approval of accounts for the year to which it relates.

The annual variable remuneration has the nature of an incentive / performance bonus linked to short-term financial and non-financial objectives (linked to the business plan and budget), analysed annually, with a reflection on the year under evaluation and possible repercussions in the following years, being paid in cash. The amount of the annual performance bonus will be determined within three months after the approval of EDP's accounts at the Annual General Shareholders Meeting each year, by reference to the previous annual performance period / period.

The annual variable component is limited to 80% of the base remuneration in force in the year to which the referred annual variable remuneration refers, being attributed according to the following parameters, calculated linearly:

- If the performance reaches less than 85% of the defined objectives, there is no place for the attribution of an annual variable component;
- If the performance achieved is between 85% and 95% of the defined objectives, an amount within the range of 10% and 25% of the fixed reference remuneration of each EBD member is due;
- If the performance achieved is between 95% and 100% of the defined objectives, an amount within the range of 25% and 52.5% of the fixed reference remuneration of each EBD member is due;
- If the performance achieved is between 100% and 110% of the defined objectives, an amount within the range of 52.5% and 80% of the fixed reference remuneration of each EBD member is due;
- If the performance achieved reaches more than 110% of the objectives set, the amount corresponding to 80% of the reference fixed remuneration of each EBD member is due.

Graphically:



The payment of annual performance bonus is partially deferred in 30% of its value throughout a 2-year period, with the payment to be carried out in 50% each year, with EDP reserving through the REMC the possibility of not applying such deferral when the annual amount of the bonus is not higher than 20% of the relevant base remuneration.

Key annual performance indicators (and weights) against budget the year of reference.

Quantitative component:

- Growth – Earnings per share recurring (20%)
- Shareholder remuneration – Total Shareholder return vs Eurostoxx utilities (20%)
- Balance sheet solidity – Funds from Operations/Net Debit (10%)
- Operational efficiency – Recurring Cash OPEX (10%)
- ESG indicator(s) (20%)
- Dow Jones Sustainability Index Results
- Performance in the employees' yearly climate study
- Performance in the customer satisfaction index

The 80% resulting from the weighted sum of these indicators reflects a performance that is common to all members of the EBD.

The performance level of a given quantitative objective must be greater than or equal to 85% for that same objective to be considered in the calculation of the total performance, and each quantitative objective will have a maximum performance limit of 120%.

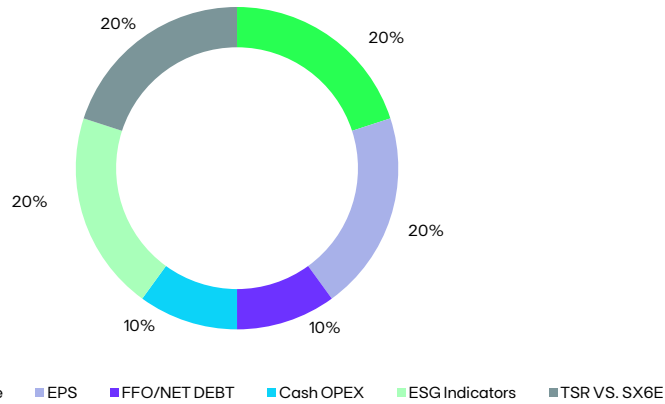
The remaining 20% result from an individualized qualitative assessment carried out by REMC, based on the individual performance of each of the members of the Executive Board of Directors, and after consulting the EBD, based on the following indicators:

Qualitative component:

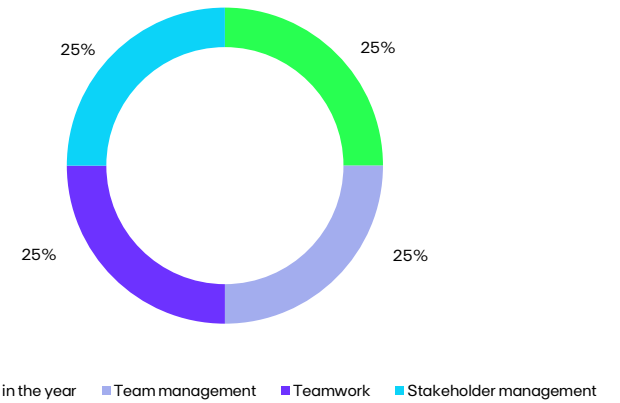
- Implementation of the Business Plan in the year (25%)
- Team management (25%)
- Teamwork (25%)
- Stakeholder management (25%)

	KPI	Description	Weight	Comparative	Objective [Min – Max]	Performance [85%-120%]	
Quantitative component (80%)	Growth – Earnings per share recurring	Comparison of the net earnings per share for the year under review with the objective previously defined in the annual budget object of prior favourable opinion by the General and Supervisory Board.	20%	Budget 2021	0,21% [85% – 120%]	102%	
	Shareholder remuneration – Total Shareholder return vs Eurostoxx utilities	Comparison of profitability for EDP shareholders on the market (TSR) with the TSR of a benchmark index, the Eurostoxx utilities (SX6E, which includes the main companies in the utilities sector in the Euro zone).	20%	SX6E	100% [85% – 120%]	90%	
	Balance sheet solidity – Funds from Operations/Net Debit	Comparison of the ratio between Funds from operations and net debt with the objective previously defined in the annual budget approved by the General and Supervisory Board.	10%	Budget 2021	20,5% [85% – 120%]	101%	
	Operational efficiency – Recurring Cash OPEX	Comparison between the OPEX cash achieved in the year under evaluation with the same indicator considered in the annual budget approved by the General and Supervisory Board.	10%	Budget 2021	€1542M [85% – 120%]	100%	
	ESG indicators	<ul style="list-style-type: none"> Results of the Dow Jones Sustainability Index 		8%	Annual evolution of indices and studies	100% [85% – 120%]	120%
		<ul style="list-style-type: none"> Performance in the annual employee climate survey 		6%		100% [85% – 120%]	100%
		<ul style="list-style-type: none"> Performance in the customer satisfaction index. 		6%		100% [85% – 120%]	117%
	Total		80%				

Annual Performance Indicators (%)



Qualitative component (%)



KPI	Description	Weight	Comparative
Qualitative Component (20%)	Individual qualitative assessment carried out by the Remuneration Committee of the General Supervisory Board, based on the individual performance of each of the members of the Executive Board of Directors and after consulting this body, based on the following indicators:	20%	-
Individual Performance Assessment	<ul style="list-style-type: none"> • Implementation of the Business Plan in the year (25%); • Team Management (25%); • Teamwork (25%); • Stakeholders management (25%) 		

The payment of annual variable remuneration is subject to the permanence of the members of the Executive Board of Directors in office until the end of the relevant annual period of performance, without prejudice to the provisions of the Remuneration Policy.

Multiannual Component

The multiannual variable remuneration will be calculated and will be due within 3 months after the approval of accounts for the last financial year of the three-year period to which it relates and will be paid in EDP Shares.

The number of EDP Shares to be awarded to each member of the Executive Board of Directors will be the one resulting from the quotient between the value of the remuneration calculated as to be paid in EDP shares after performance evaluation, and the price attribution of EDP Shares corresponding to the average price of EDP shares in the last month prior to the General Shareholders' Meeting on 14 April 2021: EUR. 4.95.

The multi-annual variable remuneration will be measured according to the fulfilment of long-term financial and non-financial objectives in accordance with the Business Plan approved by EDP, including the Company's sustainability metrics within the scope of ESG (Environment, Social and Governance) policies and objectives.

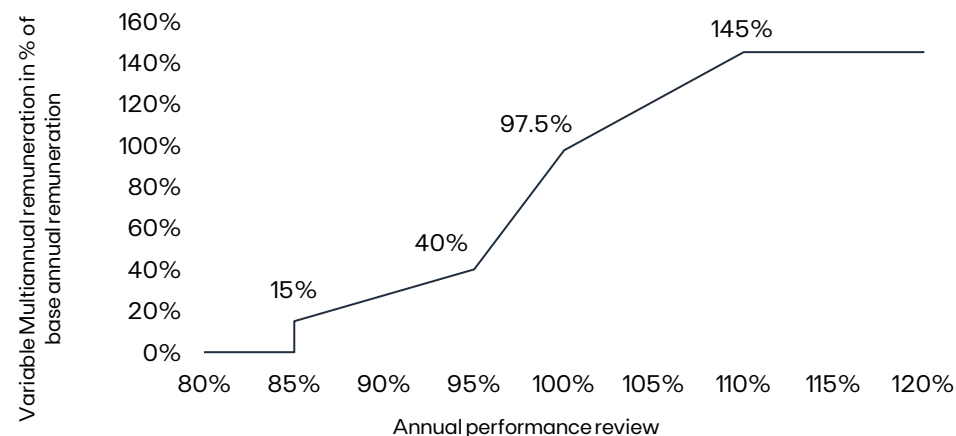
The payment of two thirds of the multi-annual variable remuneration payable in EDP Shares will be deferred and must be paid in two equal and successive annual instalments, ensuring that the payment of the multi-annual variable remuneration is made in the third year after each year of performance of the plan. multiannual year in reference, the first one due, respectively, and the second two years after the annual General Meeting at which the EDP accounts corresponding to the last year of the term in question are approved.

The payment of a significant part of the component of the multiannual variable remuneration in EDP Shares reinforces the focus on the capital market and the alignment of interests of the members of the Executive Board of Directors with those of shareholders.

The maximum multiannual variable remuneration cannot be higher than 145% of the base remuneration earned during the three-year benchmark period, being attributed according to the following parameters, calculated on a linear basis:

- If the performance achieved is less than 85% of the defined objectives, there will be no multiannual variable remuneration attribution;
- If the performance achieved is between 85% and 95% of the defined objectives, it is due an amount within the range of 15% and 40% of the base total remuneration of each EBD member;
- If the performance achieved is between 95% and 100% of the defined objectives, it is due an amount within the range of 40% and 97.5% of the base total remuneration of each EBD member;
- If the performance achieved is between 100% and 110% of the defined objectives, it is due an amount within the range of 97.5% and 145% of the base total remuneration of each EBD member;
- If the performance achieved meets the defined objectives in more than 110%, it is due an amount equal to 145% of the fixed remuneration of each EBD member.

Graphically:



Key multi-annual performance indicators for the three-year term of office (and weightings) against the 2021-2025 Business Plan subject to a prior favourable opinion of the General and Supervisory Board issued at the meeting held on 24 February 2021, after approval by the Executive Board of Directors

Quantitative component:

- Shareholder remuneration – Total shareholder return vs Eurostoxx utilities (40%)
- Growth – Earnings per share recurring cumulative (20%)
- ESG indicators (20%)
 - Increase of share of renewable energy production
 - Emissions reduction
 - Bloomberg Gender Equality Index Performance

The 80% resulting from the weighted sum of these indicators reflects a performance that is common to all members of the EBD.

The performance level of a given quantitative objective must be greater than or equal to 85% for that same objective to be considered in the calculation of the total performance and each quantitative objective will have a maximum performance limit of 120%.

The remaining 20% result from an individualized qualitative assessment carried out by the REMC, based on the individual performance of each of the members of the EBD, and after consulting the EBD, based on the following indicators:

Qualitative component:

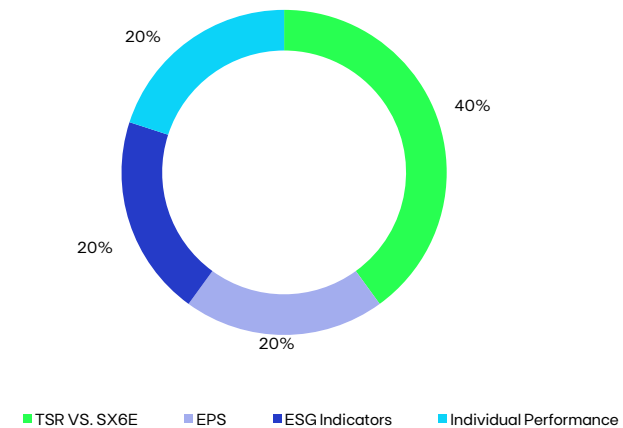
- Strategy and execution (25%)
- Employee development (25%)
- Teamwork and new forms of working (25%)
- Stakeholders Management (25%)

The multiannual variable remuneration will only be due if, at the end of the mandate and considering the entire term of the mandate, an average of 85% of the objectives set has been reached.

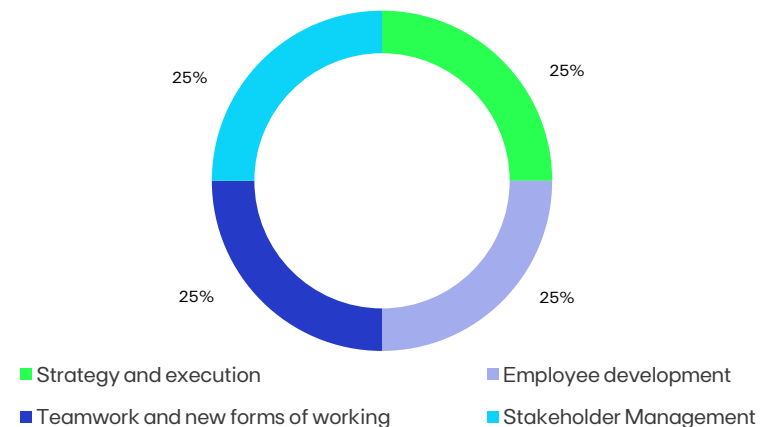
The payment of the multi-annual variable remuneration is subject to the permanence of the members of the Executive Board of Directors in office until the end of the three-year period of relevant performance, without prejudice to the provisions of the Remuneration Policy.

The members of the Executive Board of Directors are prohibited from entering into contracts, either with EDP or with third parties, which have the effect of mitigating the risk inherent to the variability of the remuneration set for them by EDP.

Multiannual Performance Indicators (%)



Qualitative component (%)



	KPI	Weight	Comparative	Description
Quantitative Component (80%)	Total shareholder return (TSR) vs Eurostoxx utilities	40%	SX6E	Comparison of the return generated for EDP shareholders on the market (TSR) with that of the Eurostoxx utilities benchmark index (SX6E, which includes the main companies in the utilities sector in the Euro zone). This comparison is made between quotations at the end of the three-year period and considers the reinvestment of dividends received in the period.
	Earnings per Share recurring cumulative	20%	Business Plan	Comparison of net earnings per share with the target previously defined for that year in the multi-annual Business Plan object of prior favourable opinion by the General and Supervisory Board.
	ESG indicators	20%	Multi-annual evolution of renewables penetration, emission reduction and index	This indicator assesses the increase in penetration of renewables, reduction of emissions, Bloomberg Gender Diversity Index.
Qualitative Component (20%)	Individual Performance Assessment	20%	-	Individual assessment of the performance in the period considered of each of the members of the Executive Board of Directors carried out by the Remuneration Committee of the General and Supervisory Board, and after consulting the Executive Board of Directors, based on the following indicators: <ul style="list-style-type: none"> • Strategy and execution (25%) • Employees' development (25%) • Teamwork and new forms of working (25%) • Stakeholders' management (25%)
	Total	100%		

Below is a summary table of the remuneration framework applicable to members of the Executive Board of Directors:

	Element	Approved at GSM 2021	2021	2022	2023	2024	2025	2026
Fixed component	Fixed Remuneration	Defined by REMC						
	Retirement Savings Plan	Net amount corresponding to 10% of the base remuneration						
	Other benefits	Insurance, use of car						
Variable remuneration – annual component				70% - award 2021	15% - award 2021	15% - award 2021		
	Variable Remuneration	Maximum of 80% of fixed remuneration			70% - award 2022	15% - award 2022	15% - award 2022	
						70% - award 2023	15% - award 2023	15% - award 2023
Variable remuneration – multiannual component	Variable Remuneration	Maximum of 145% of fixed remuneration	Performance period	→		1/3 of award 2021-23	1/3 of award 2021-23	1/3 of award 2021-23
Other corporate governance topics	Clawback and Malus rules	Remuneration paid during the period in which the facts were committed, overdue, or to be awarded, will be refunded, retained, or not awarded	Clawback and Malus: the right to variable remuneration and its effective payment is conditioned to the non-performance, by the members of the Executive Board of Directors, of any wilful unlawful acts known after the evaluation has been carried out and that cause damage to EDP or jeopardize the sustainability of performance of EDP and are the subject of a claim for damages against EDP, presented by shareholders or third parties.					

Performance evaluation of the General and Supervisory Board and qualitative assessment of the Executive Board of Directors to be carried out by the Remuneration Committee of the General and Supervisory Board

Under the terms of the remuneration policy in force, the remuneration of directors comprises a qualitative component, namely in relation to the annual variable remuneration (weighted by the individual performance evaluation of each of the members of the Executive Board of Directors, representing 20% and taking into account performance during one year) and the multi-annual variable remuneration (weighted by the individual performance evaluation of each of the members of the Executive Board of Directors, representing 20%, and taking into account the performance during the three-year period).

For this purpose, the General and Supervisory Board carries out a self-assessment of its activity and performance, as well as of the respective Committees, whose conclusions are presented in the annual activity report of the General and Supervisory Board (Article 12 of the Internal Regulations of the General and Supervisory Board). This corporate body also carries out an independent assessment of the activity and performance of the Executive Board of Directors, conclusions of which are presented to the General Shareholders' Meeting and annexed to above referred report.

EDP, on the initiative of the General and Supervisory Board, voluntarily instituted a formal and objective process to assess both the activity of this body and the activity of the Executive Board of Directors. The experience of recent years has allowed the General and Supervisory Board to introduce some changes to the process with a view to making it more

effective and efficient. During 2022, the methodology adopted comprised the following steps:

- conduction of the process of collective evaluation of the General and Supervisory Board, its Specialized Committees, and the Executive Board of Directors by an external entity, with a view to carrying out interviews based on individual questionnaires to the members of the supervisory body and to support in completing and validation of the treatment of information supporting the evaluation process;
- at the beginning of 2023, each member of the General and Supervisory Board was interviewed by specialized consultants, answering questions of a quantitative and qualitative nature; namely, issues related to the composition, organization and functioning, performance of the General and Supervisory Board's activity and the relationship of this Board with its Specialized Committees and with other EDP governing bodies were analysed; Likewise, issues related to the composition and organization of the Executive Board of Directors, performance of the respective activity and the relationship between the Executive Board of Directors and the General and Supervisory Board were analysed;
- assessment reports were produced by the General and Supervisory Board, its Specialized Committees, and the Executive Board of Directors, which were made available for consideration at a meeting of the General and Supervisory Board;
- at a meeting, the General and Supervisory Board issued the respective assessment opinions, which are included in this body's annual activity report;
- at the General Meeting, in the point concerning the assessment of the Executive Board of Directors, the Chairman of the General and Supervisory Board presents the respective opinion.

In January 2023, the General and Supervisory Board also contracted Mercer (Portugal), Lda. to provide services within the scope of certification of the evaluation process of the afore mentioned body, its Specialized Committees, and the Executive Board of Directors. These certifications can be consulted in the 2022 Annual Report of the General and Supervisory Board.

Maximum potential amount in case of full compliance with the defined objectives

By reference to each year of term-of-office, the maximum potential amount to be attributed to the members of the Executive Board of Directors per mandate, in the event of full compliance with the defined objectives, which implies the payment of the maximum amounts fixed for the annual and multi-annual variable remuneration, under the terms described above, is the following:

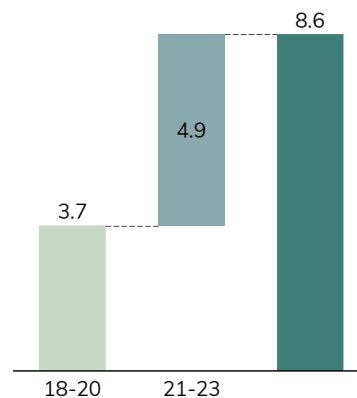
- Chairman of the Executive Board of Directors: 2,600,000 Euros
- Remaining members of the Executive Board of Directors: 7,280,000 Euros
- Total amount: 9,880,000 Euros

Itemized Remuneration

The gross global amount paid by EDP to the members of the Executive Board of Directors in 2022 was 8,577,244 Euros, of which 4,882,553 Euros refer to the 2021-2023 term of office starting on 19th January 2021 and 3.694.691 Euros regarding the 2018-2020 term.

The following chart illustrates the breakdown between the rounded amounts paid, in millions of Euros, during 2022 for each of the mandates:

Remuneration of the Executive Board of Directors
(millions of EUR.)



*Includes Remuneration from actual EBD and Multiannual Remuneration from previous EBD

The table below shows, in Euros, the gross remuneration amounts paid in 2022, individually, to the members of the Executive Board of Directors for the 2018-2020 term:

	GROSS REMUNERATION PAID BY EDP (*)	
	MULTIANNUAL COMPONENT (2019)	TOTAL
António Luís Guerra Nunes Mexia	692,720	692,720
João Manuel Manso Neto	499,428	499,428
António Fernando Melo Martins Costa	382,116	382,116
João Manuel Veríssimo Marques da Cruz	255,262	255,262
Miguel Stilwell de Andrade	508,365	508,365
Miguel Nuno Simões Nunes Ferreira Setas	266,311	266,311
Rui Manuel Rodrigues Lopes Teixeira	257,310	257,310
Maria Teresa Isabel Pereira	412,759	412,759
Vera de Morais Pinto Pereira Carneiro	420,420	420,420

⁽¹⁾The remuneration of the members of the Executive Board of Directors includes the amounts related to the Retirement Savings Plan.

The table below shows, in Euros, the gross remuneration amounts paid in 2022, individually, to the members of the Executive Board of Directors in office, for the 2021-2023 term of office, as well as the total gross remuneration amounts paid to each of these members in 2022:

	GROSS REMUNERATION PAID BY EDP ⁽¹⁾			
	FIXED	ANNUAL COMPONENT (2021)	TOTAL (TERM 2021-2023)	TOTAL 2022 (TERMS 2018-2020 AND 2021-2023) ⁽²⁾
Miguel Stilwell de Andrade	941,844	361,760	1,303,604	1,811,969
Miguel Nuno Simões Nunes Ferreira Setas	618,333	245,686	864,019	1,130,330
Rui Manuel Rodrigues Lopes Teixeira	659,291	251,076	910,367	1,167,677
Vera de Morais Pinto Pereira Carneiro	659,291	240,296	899,587	1,320,007
Ana Paula Garrido de Pina Marques	659,291	245,686	904,977	904,977

⁽¹⁾ The remuneration of the members of the Executive Board of Directors includes the amounts related to the Retirement Savings Plan.

⁽²⁾ Includes the amounts related to the multi-annual variable remuneration for 2019 identified in the previous table.

In 2022, no amounts earned by members of the Executive Board of Directors were paid by other companies in a control or group³ relationship or that are subject to a common control, in Portugal or abroad.

In 2022, the Remuneration Committee of the General and Supervisory Board hired an external consultant, Mercer (Portugal), Lda., to provide support in the validation and certification of the calculation of the annual and multi-annual variable remuneration of the members of the Executive Board of Directors.

Additional benefits

The members of the Executive Board of Directors also benefit from the following additional benefits:

- Payment of an annual Life Insurance and Personal Accident Insurance premium (along with the other associated costs);
- Payment of an annual premium for / co-payment of / access to Health Insurance, extendable to spouse and children (along with other associated costs);

- Use of a vehicle, in terms of the culture and practice consistently followed at EDP for service vehicles, which includes, for the members of the Executive Board of Directors, the assignment of a driver, payment of costs and expenses related to the vehicle and its use.

The benefits and rights granted to the members of the Executive Board of Directors under the employment contracts they have entered into with EDP will be suspended during the exercise of their duties as members of the Executive Board of Directors, thus not adding to the benefits and rights above indicated.

The benefits and rights attributed to the members of the Executive Board of Directors under the terms of the Remuneration Policy may, by decision of the Remuneration Committee of the General and Supervisory Board, with a favourable opinion from the Corporate Governance and Sustainability Committee, be adjusted according to the practices market and continued alignment with EDP's general Human Resources policy applicable at any given time, and must be justifiably reported in the first remuneration report that is presented after the aforementioned adjustment.

³ Definition of group within the meaning of paragraph g) of no. 1 of article 2 of Decree-Law no. 158/2009, of 13 July, in accordance with paragraph d) of no. 2 of article 26-G of the Portuguese Securities Code.

Pursuant to Article 402 of the Portuguese Companies Code and Article 27(1) of EDP's Articles of Association, the Company may create old-age or disability retirement pension supplements in favour of the members of the Executive Board of Directors. EDP has not created a supplementary retirement pension fund or plan for directors, instead making annual contributions / or co-contributions with the director to a Retirement Savings Plan (PPR) in a net amount corresponding to 10% of the respective remuneration base.

Malus and clawback rules

The right to variable remuneration and its effective payment is conditioned to the non-performance, by the members of the Executive Board of Directors, of any malicious illegal acts known after the evaluation has been carried out, and which cause damage to EDP or jeopardize the sustainability of performance of EDP and are the subject of a claim for compensation to EDP, by shareholders or third parties.

If the provisions of the previous paragraph are verified, the variable remuneration paid during the period of practice of the facts, overdue, or to be awarded, will be reimbursed, withheld, or not awarded to compensate for the damages caused up to the competition of the full amount thereof.

Exceptional payments arising from termination of service and non-compete agreements

Following the suspension of duties, during 2020, of Dr. António Luís Guerra Nunes Mexia, Chairman of the Executive Board of Directors for the three-year period 2018-2020 and João Manuel Manso Neto, Board Member during the same mandate, by court order issued within the scope of the process concerning the termination of Energy Acquisition

Contracts and transition to the Contractual Balance Maintenance Costs regime and the extension of the use of the Public Hydric Domain, and the conclusion with EDP, on 20 November 2020, of termination of office and non-compete agreements, it was agreed that EDP would maintain the obligation to pay the aforementioned Directors the monetary amounts due as remuneration in relation to the mandate elapsed between 2018 and 2020, including the respective fixed and variable, annual and pluriannual, whose evaluation is the responsibility of the Remuneration Committee of the General and Supervisory Board, under the terms in force in the respective remuneration policy statement approved by this Committee and submitted to the appreciation of the General Meeting. In this context, the amounts paid in 2022 are those provided for in the itemized remuneration section of this Remuneration Report.

Given that Dr. António Luís Guerra Nunes Mexia had access, as a result and inherent in the performance of their duties, for a period of fourteen years, to knowledge and extensive privileged and particularly sensitive information in terms of competition in relation to the strategy and business of the EDP Group, non-compete pact was also signed with reference to the period after termination of duties. According to the analysis that preceded the conclusion of the termination of functions and non-compete agreements, the interests of the signatory parties were duly safeguarded, with the respective final terms being based on the best market practices.

As consideration for the non-compete obligation, EDP undertook to pay to Dr. António Luís Guerra Nunes Mexia, for a period of three years, the amount of 800,000 Euros and the maintenance, during the same period, of the payment of insurance premiums and life insurance, as well as the PPR Life Insurance whose net amount represents 10% of the fixed annual remuneration.

The termination and non-compete agreement entered into was subject to approval by the Remuneration Committee of the General and Supervisory Board, under the terms of article 429 of the Commercial Companies Code, article 27 of the EDP Statutes and the article 12, point h) of the Internal Regulations of the Remuneration Committee of the General and Supervisory Board at a meeting held on 13 November 2020, and the General and Supervisory Board, at the meeting held on 17 November 2020, expressed its agreement to the respective conclusion and conferred powers to two members of the Remuneration Committee of the General and Supervisory Board to represent the Company in the signature of the referred agreement.

In this context, in 2022, 400,000 Euros were paid to Dr. António Mexia as consideration for the non-compete obligation, in January and July, totalling 800,000 Euros, as well as the aggregate amount of 145.896,72 Euros relating to insurance premiums health and life insurance and PPR Life Insurance. In May 2022, the amount of 73.375,83 Euros was also refunded relating to the Personal Income Tax withheld with reference to the year 2021.

B. Remuneration policy applicable to members of the Governing Bodies approved by the Remuneration Committee elected by the General Meeting

The Remuneration Committee elected by the General Meeting takes into account, for the purposes of the proposed remuneration policy for the members of the General and Supervisory Board, the Board of the General Meeting and the Statutory Auditor, namely, their fixed nature, as well as the mandatory rules on their determination, in particular the provisions of number 2 of article 440 of the Commercial Companies Code, which explains the criteria for determining the remuneration of the General and Supervisory Board, in article 374-A of the Commercial Companies Code, pursuant

to Law no. 50/2020, of 25 August, on the remuneration of members of the Board of the General Meeting and in article 60 of Decree-Law no. 224/2008, of 20 November, on the remuneration of the Statutory Auditor.

It is therefore incumbent upon the Remuneration Committee elected at the General Meeting to set the remuneration of the members of the following governing bodies: Board of the General Meeting, Chairman and members of the General and Supervisory Board, Statutory Auditor and the Environment and Sustainability Board. The Financial Matters Committee/Audit Committee is treated together with the other Specialized Committees of the General and Supervisory Board.

Considering the competence of the Remuneration Committee elected at the General Meeting, its attributions aim to define fixed remuneration, so the legal determinations and others relating to variable remuneration, with their various dimensions, are not applicable here, without prejudice to the necessary alignment, underlying the principles that shape remuneration policies, anchored, namely in the EDP Business Plan for the period 2021–2025.

Procedures for adopting the policy

In the definition of the Remuneration Policy, proposals are made to ensure that remuneration is adequate, contribute to the business strategy and sustainability of EDP and reflect the risk profile and the long-term objectives and interests of EDP, showing still complying with legal norms, principles, and relevant national and international recommendations.

The Remuneration Committee elected by the General Shareholders' Meeting is also attentive to market references, following benchmark studies carried out in due course.

Also in defining this policy, the Remuneration Committee elected by the General Meeting maintains interactions both with members of the relevant governing bodies and with the Company's stakeholders.

As is the case of the Executive Board of Directors, the General and Supervisory Board and its Specialized Committees, the Remuneration Committee elected by the General Shareholders' Meeting develops mechanisms for the prevention and management of conflicts of interest, under the terms set out in article 10 of the EDP Statutes, observing the following essential rules:

- i. When a member of the Remuneration Committee is in a situation of actual or apparent conflict of interest in a decision to be taken by this body, he must previously inform the Committee of the facts that may constitute or give rise to a conflict between his interests and the Social.
- ii. In the situation referred to in the previous number, the member of the Remuneration Committee must abstain from participating and voting at the meeting in which the topic is discussed and voted on, without prejudice to the duty to provide information and clarifications that the Committee or the respective members ask you.

It should also be noted that, under the statutory terms, the Remuneration Committee elected by the General Meeting is composed of a majority of independent members.

General Definition and Characterization

When defining the remuneration policy presented by the Remuneration Committee and approved at the General Meeting, held on 14 April 2021, the following factors were considered:

- i. There is a renewal of the governing bodies with some depth, with the decrease in the number of members of the General Supervisory Board being highlighted;
- ii. Experience has shown that the functions are increasingly demanding and complex, which requires greater availability of this body, and it should be noted that, in 2020, instead of the eleven annual meetings that were usually held, there were nineteen;
- iii. The remuneration of the governing bodies, with the exception of the remuneration of the Chairman of the General Supervisory Board, has not changed since 2009, and in that year there was a reduction in relation to the 2006/2008 term of office;
- iv. Remuneration must also consider market comparables and be sufficiently attractive and adjusted to the responsibilities of the functions;
- v. The current remuneration of the members of the General Supervisory Board is, for the reasons mentioned above, well below market comparables, namely in the sector in which EDP operates.

The proposed Remuneration Policy for the Members of the Governing Bodies aims to comply with the provisions of Law no. 50/2020, 25 August, and incorporate the corporate governance guidelines set out in the IPCG Corporate Governance Code adopted by the Company, framing within the guidelines that have been defined by the Company's reference shareholders, which are formulated in accordance with the aforementioned applicable rules and recommendations and with the best practices existing in the sector.

It should be noted, as already mentioned, that the proposal for the Remuneration Policy for the Members of the Governing Bodies has a necessarily limited and reduced scope, since the definition of the remuneration policy for the members of the Executive Board of Directors is in charge of the Remuneration of the General and Supervisory Board.

Therefore, the scope of the proposed Remuneration Policy does not include any variable remuneration to directors, remuneration based on shares or any other remuneration complement, a matter that is the responsibility of the Remuneration Committee of the General and Supervisory Board. For this reason, several legal provisions deriving from Law no. 50/2020, 25 August, concerning the referred matters, notably, those set forth in Article 26-C (3) (4) of the Portuguese Securities Code.

Principles underlying the remuneration policy of the members of the Governing Bodies (excluding that of the Executive Board of Directors)

The Remuneration Committee elected by the General Shareholders' Meeting defined the remuneration policy for the members of the General and Supervisory Board, having as a guiding principle that it should be simple, transparent, moderate, adapted to the working conditions performed and the Company's economic situation, but, also competitive and equitable, in order to guarantee the purpose of creating value for shareholders and other stakeholders.

The Remuneration Committee elected by the General Shareholders' Meeting based its decisions on remuneration policy on the following main guiding principles:

- i. Definition of a simple, clear, understandable, transparent policy in line with EDP's culture, so that the remuneration practice can be based on uniform, consistent, fair, and balanced criteria.
- ii. Definition of a policy consistent with effective risk management and control, to avoid excessive exposure to risk and conflicts of interest and seeking consistency with the Company's long-term objectives and values.

- iii. Evaluation and encouragement of a judicious action in which merit must be duly rewarded, ensuring levels of homogeneity compatible with the necessary cohesion of the General Supervisory Board, while also considering the economic and financial situation of the company and the country, even though EDP operates on a global scale.
- iv. Alignment of the remuneration of the various members of the governing bodies by companies with the highest market capitalization and European counterparts, naturally adapted to the Portuguese market.
- v. The most recent recommendations issued by the European Union and the Securities Market Commission.
- vi. Alignment of remuneration with the specific responsibilities inherent to the position in question.
- vii. Alignment of remuneration with the time required to spend in each position.
- viii. Simplification of the remuneration policy.

Structure of the remuneration policy for the members of the Governing Bodies (excluding that of the Executive Board of Directors)

Based on these criteria and considering the challenges that the Company intends to pursue during the term of office 2021-2023, the Remuneration Committee elected by the General Meeting decided that the following guidelines should apply

- i. A distinction must be maintained between the remuneration attributed to the members of the General Supervisory Board and those fixed to the members of the Executive Board of Directors, with the former not being allocated a variable remuneration component or any other remuneration supplement.

- ii. The performance with merit and the complexity of the functions performed by the members of each body must be considered, so that the cohesion, stability, and development of the Society are not jeopardized.
- iii. Regarding the Chairman of the General Supervisory Board, it must be considered that the functions require great availability and include a strong component of institutional representation. He may also chair the Financial Matters Committee/Audit Committee, without additional remuneration.
- iv. If the chairmanship of the Financial Matters Committee/Audit Committee is assigned to another member of the General Supervisory Board, other than its Chairman, he/she must have a compatible remuneration, depending on the responsibility of the position and the requirement of availability.
- v. In any case, the Chairman of the General Supervisory Board, or the Chairman of the Financial Matters Committee/Audit Committee, if they are separate persons, may not accumulate any other remuneration in relation to the basis assigned to them.
- vi. It is also important to differentiate the performance of other specific functions, within the scope of the General Supervisory Board, namely the participation of members
- vii. of the General Supervisory Board in other committees, as well as the functions performed in these committees.
- viii. Finally, it should be considered that, historically, the remuneration of the Chairman of the Board of the General Meeting is similar to the remuneration attributed to the Chairman of a Committee. For this reason, the remuneration of the Chairman of the Board is aligned

- ix. accordingly, and his inherent membership of the position of Member of the General Supervisory Board is also considered.

C. Specifics applicable to the remuneration of the members of the General and Supervisory Board

In compliance with the provisions of article 440 of the Commercial Companies Code, the remuneration of the members of the General and Supervisory Board is of a fixed nature, considering the duties performed.

The remuneration policy currently in force was approved at the General Shareholders' Meeting held on 14 April 2021.

The remuneration of the Chairman of the General and Supervisory Board was set considering, namely, the necessary availability for the performance of his duties as well as the important component of institutional representation required. The remuneration of the Chairman of the General and Supervisory Board also includes the costs associated with the use of the vehicle and its driver.

Remuneration limits

Accordingly, and considering the aforementioned, the Remuneration Committee elected by the General Shareholders' Meeting submitted to the shareholders the proposal for the gross remuneration of the members of the governing bodies identified below, for the financial year that began on 14 April 2021 and until the term of office, under the terms that follow:

GENERAL AND SUPERVISORY BOARD	ANNUAL REMUNERATION
CHAIRMAN OF THE GENERAL AND SUPERVISORY BOARD:	EUR. 515,000.00
Member of the General and Supervisory Board:	EUR. 70,000.00

Financial matters committee / Audit committee: the following values add to the base remuneration

	ANNUAL REMUNERATION
PRESIDENT:	+ EUR. 73,000.00 (*) (TOTAL DE EUR. 143,000.00)
Member:	+ EUR. 25,000.00

(*) Applicable in this term of office, since the function is not performed by the Chairman of the General Supervisory Board.

Other committees: member of the General and Supervisory Board who accumulates functions in one or more Committees:

	ANNUAL REMUNERATION
FOR EACH COMMITTEE IN WHICH HE PARTICIPATES AS PRESIDENT:	+ EUR. 25,000.00
For each Committee in which you participate as a Member:	+ EUR. 20,000.00

Regarding the establishment of the remunerations listed above, the following rules are also added:

- The Chairman of the General and Supervisory Board and the Chairman of the Financial Matters Committee/Audit Committee (if not the Chairman of the General Supervisory Board), even if they form part of other committees, will not have any additional remuneration.
- No other Member of the General and Supervisory Board may, in addition to the basic remuneration, accumulate remuneration in more than two committees, in accordance with the rules referred to above, even if they participate in a greater number.

Amounts earned broken down

The gross global amount paid by EDP to the members of the General and Supervisory Board in 2022 was 2,037,999.64 Euros.

The following table presents the amounts of remuneration paid during the 2022 financial year to the members of the General and Supervisory Board in office for the 2021–2023 term of office:

MEMBERS OF THE GENERAL AND SUPERVISORY BOARD	GROSS FIXED EUROS
João Luís Ramalho de Carvalho Talone	515,000
China Three Gorges Corporation	70,000
China Three Gorges International Limited	70,000
China Three Gorges (Europe), S.A.	90,000
China Three Gorges Brasil Energia, S.A.	90,000
China Three Gorges (Portugal), Sociedade Unipessoal, Lda. ^(*)	95,000
DRAURSA, S. A.	110,000
Fernando María Masaveu Herrero	90,000
João Carvalho das Neves	143,000
María del Carmen Fernández Rozado	115,000
Laurie Lee Fitch	110,000
Esmeralda da Silva Santos Dourado	110,000
Helena Sofia da Silva Borges Salgado Fonseca	115,000
Zili Stephen Shao	90,000
Sandrine Dixson-Declève	90,000
Luís Maria Viana Palha da Silva	95,000

^(*) Remuneration paid to the representative Dr. Miguel Espregueira Mendes Pereira Leite

D. Specifics applicable to the remuneration of the Statutory Auditor

Contractual nature

At the General Shareholders' Meeting held on 14 April 2021, PricewaterhouseCoopers & Associados – Sociedade de Revisores de Contas, Lda., Sociedade Revisor Oficial de Contas number 183, represented by João Rui Fernandes Ramos (ROC n.º 1333), was re-elected to Statutory Auditor for the three-year period 2021–2023, having, on the same date, been re-elected Aurélio Adriano Rangel Amado (ROC n.º 1074), as Substitute of the Statutory Auditor, to perform duties during the aforementioned three-year period.

The Remuneration Committee elected by the General Shareholders' Meeting decided that the remuneration of the Statutory Auditor will correspond to the amounts contained in the “Agreement for the Provision of Legal Audit Services” entered into between EDP and PricewaterhouseCoopers & Associados – Sociedade de Revisores de Contas, Lda.

Scope of activity and services provided

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda. and its network (PWC) are responsible for carrying out the independent audit of all the companies that make up the EDP Group, namely in Portugal, Spain, Brazil (EDP Renováveis) and the United States of America, as well as in other countries in which the Group is located. In the EDP Energias do Brasil sub-group, the independent audit is performed by KPMG – Auditores Independentes Ltda (KPMG).

All services provided by the Statutory Auditor during the 2022 financial year are detailed in Part III, Item 46, of this Integrated Annual Report.

Fees earned

PRICEWATERHOUSECOOPERS

EUROS	PORTUGAL		SPAIN		BRAZIL		USA		OTHER COUNTRIES		TOTAL	
Audit and statutory audit of accounts	2,607,796		1,359,251		299,566		1,691,149		2,131,692		8,089,454	79%
Other assurance of reliability services (*)	1,776,591		334,590		37,533		-		33,129		2,181,843	21%
Total of audit and assurance of reliability services	4,384,387		1,693,841		337,099		1,691,149		2,164,821		10,271,297	
Tax consultancy services	-		-		-		-		-		-	
Other services	15,013		-		-		-		-		15,013	-%
Total of other services	15,013		-		-		-		-		15,013	
Total	4,399,400	43%	1,693,841	16%	337,099	3%	1,691,149	16%	2,164,821	21%	10,286,310	100%

(*) Includes assurance of reliability services of the exclusive competence and responsibility of the Statutory Auditor in accordance with the Regulations on Provision of Services by Statutory Auditor or Statutory Auditing Company approved by the General and Supervisory Board.

The amount of fees for “Audit and statutory auditing” in Portugal includes 1,783,602 Euros corresponding to the fees for statutory audit of the annual, individuals and consolidated accounts of EDP – Energias de Portugal, S.A.

Services other than Audit and Legal Review of Accounts requested by Group companies from the External Auditor and other entities belonging to the same network, amounted to 2,245,488 Euros.

KPMG

EUROS	BRAZIL		TOTAL	
Audit and statutory audit of accounts	550.583		550.583	92%
Other assurance of reliability services	48.632		48.632	8%
Total of audit and assurance of reliability services	599.215		599.215	
Tax consultancy services	-		-	-%
Other additional services	-		-	-%
Total of other services	-		-	
Total	599.215	100%	599.215	100%

E. Particulars applicable to the remuneration of the Environment and Sustainability Board

Under the terms of the current remuneration policy, approved by the General Shareholders' Meeting on 14 April 2021, the members of the Environment and Sustainability Board are entitled to receive an attendance fee per meeting in the amount of 1,750 Euros.

In the 2022 financial year, the members of the Environment and Sustainability Board earned the remuneration indicated in the following table:

ENVIRONMENT AND SUSTAINABILITY BOARD (1)	GROSS FIXED EUROS
José Manuel Caré Baptista Viegas	1.750
Joana Pinto Balsemão ⁽²⁾	-
Joaquim Manuel Veloso Poças Martins	1.750
Maria Mendiluce	1.750
Pedro Manuel Sousa Mendes Oliveira	1.750

⁽¹⁾ As a result of the activity carried out during 2022, each of the members José Manuel Caré Baptista Viegas, Joaquim Manuel Veloso Poças Martins, Maria Mendiluce and Pedro Manuel Sousa Mendes Oliveira have earned 1,750 Euros in January 2023.

⁽²⁾ Waived the respective remuneration.

F. Particulars applicable to the remuneration of the Remuneration Committee of the General Meeting

Together with the re-election of the members of the Remuneration Committee of the General Meeting, the Meeting approved the respective remuneration, for the 2021-2023 term, in the following terms:

REMUNERATION COMMITTEE	ANNUAL REMUNERATION
PRESIDENT:	EUR. 20,000.00
Members:	EUR.15,000.00

The members of the Remuneration Committee of the General Meeting received, in 2022, the following remunerations:

REMUNERATION COMMITTEE OF THE GENERAL SHAREHOLDERS' MEETING ^(*)	GROSS FIXED EUROS
Luís Miguel Nogueira Freire Cortes Martins	5,000
José Gonçalo Ferreira Maury	5,000
Jaime Amaral Anahory	5,000

^(*) Due to a processing error, in 2021, a payment of EUR 15,000 was advanced to the Chairman and of EUR 10,000 to the two other members of the Remuneration Committee of the General Shareholders' Meeting, amounts which were settled during the 2022 financial year.

G. Particulars applicable to the remuneration of the Chairman of the General Meeting

The remuneration policy submitted by the Remuneration Committee elected by the General Meeting, approved at the General Meeting held on April 14, 2021, provides, as regards the members of the Board of the General Meeting, as follows:

BOARD OF THE GENERAL MEETING	ANNUAL REMUNERATION ^(*)
PRESIDENT:	EUR. 70,000.00, PLUS EUR. 25,000.00
Vice-President:	EUR. 5,000.00

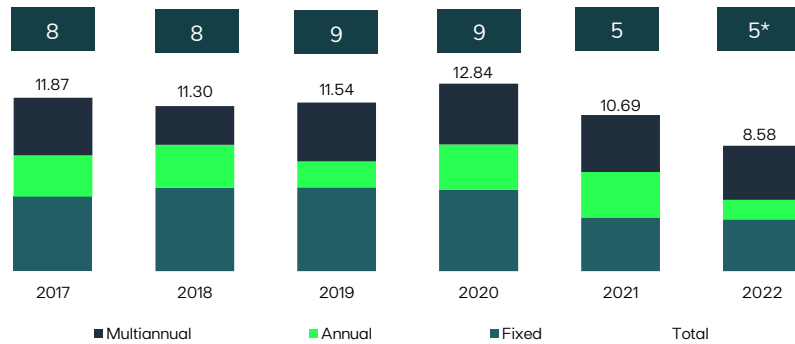
^(*)Gross amounts

The Chairman and Secretary of the Board of the General Shareholders' Meeting do not receive remuneration in this capacity, given that they are remunerated as a member of the General and Supervisory Board and as Company Secretary, respectively.

The Vice-Chairman of the General Meeting, elected on 6 April 2022, waived the respective remuneration

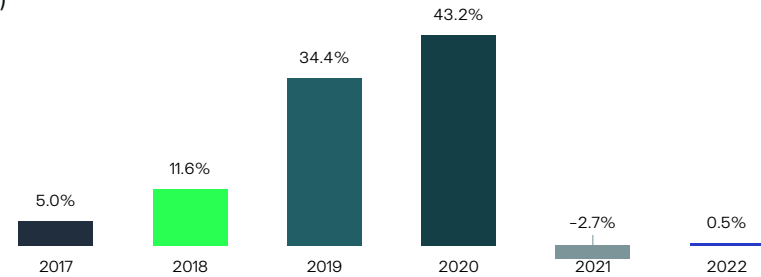
H. Evolution of the remuneration and performance

Remuneration of the Executive Board of Directors (€ million)

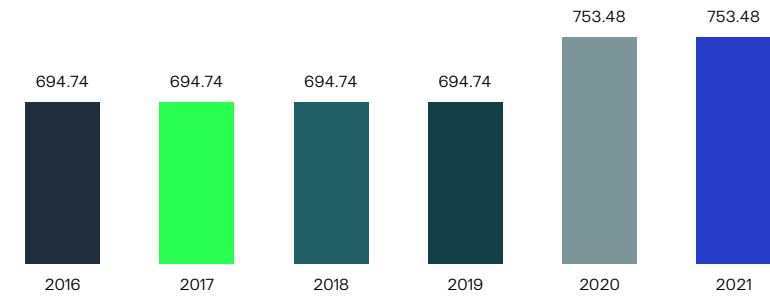


* As a result of the Extraordinary General Meeting of 19 January 2021, the Executive Board of Directors elected for the 2021-2023 term is composed of 5 members. The amount of EUR 8.58 million refers to the amounts of remuneration paid in 2022, relating to the terms of office of 2018-2020 (9 members) and 2021-2023 (5 members).

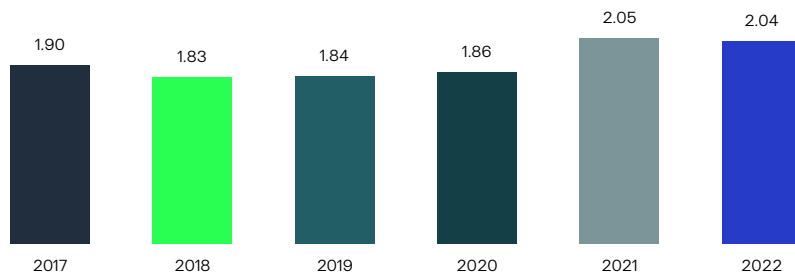
Total Shareholder Return (%)



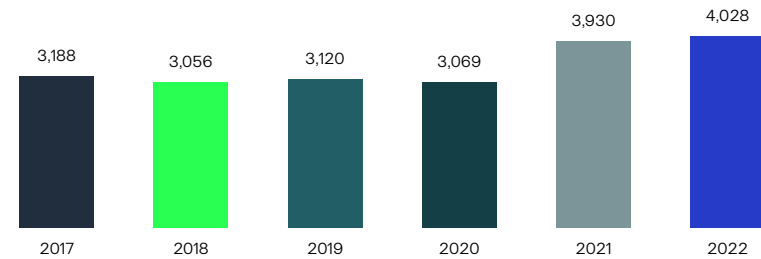
Dividends (€ million)



Remuneration of the General and Supervisory Board (€ million)



Average Employees' Remuneration (€)





Our future



Part V

Annexes



Annexes

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The Executive Board of Directors would like to thank all those who have supported and followed EDP in 2022.

We would like to thank EDP's shareholders for placing their trust in the Executive Board of Directors and for the support they provided.

We would also like to thank members of the Corporate Bodies, responsible for the audit and supervision of the group, for their support. A special word of thanks to the General and Supervisory Board for their expert guidance and counsel.

The Executive Board of Directors also extends its gratitude to all the stakeholders EDP engaged with in 2022, notably, clients, suppliers, regulators, partners, and local communities.

Lastly, a special thanks to all EDP employees. Your determination and commitment were critical to achieving this year's results.

Miguel Stilwell de Andrade (CEO)

Vera de Morais Pinto Pereira Carneiro

Miguel Nuno Simões Nunes Ferreira Setas

Ana Paula Garrido de Pina Marques

Rui Manuel Rodrigues Lopes Teixeira

Annex 2 – Reporting principles

EDP has reported in accordance with the GRI Standards for the period from January 1st, 2022 to December 31st, 2022.

GRI Standards reporting principles

Reporting quality

Balance

The content of the Report considers both the most positive facts of the year and those less positive when materially relevant.

Comparability

The information reported covers a four-year time series in the material topics indicators relevant to the EDP group's business ([Chapter 2.2. Materiality](#)) and enables a comparative analysis of the company's performance.

Transparency

An online glossary is provided in [Annex 7 – Glossary](#), helping to understand some of the technical terms used. In addition to the publications in pdf, a web version is also available, facilitating navigation through the different contents.

Accuracy

The scope of the Report is explained, as well as the consolidation criteria. All exceptions and changes to criteria are duly identified and highlighted. The definitions and descriptions of the calculation methodologies of the main indicators employed are available online, in the glossary.

Timeliness

The Report has an annual frequency and covers the calendar year 2022.

Reliability

The internal process verification is described in this page, under 'Internal and external assurance'. External verification is an additional guarantee of the reliability of the content, regarding the indicators included in [GRI Table](#).

Content principles

Sustainability context

Within the framework of the defined strategy, EDP fosters a corporate culture of permanent demand for excellence in sustainability, based on its nine principles of sustainability (additional information at www.edp.com).

The group's sustainability performance is globally reported based on the consolidation criteria defined and described in the next point. Regarding the subsidiary companies, the group defines a clear strategy for continuous improvement of its performance, supported by the internal process of identifying the year's material issues and emerging trends in the sector, always considering the local conditions in which it operates. Regarding the jointly controlled companies, the group positively influences its performance and highlights the major initiatives of the year throughout the Report, when materially relevant. In the supply chain, the approach is management, and the material issues are published. In this context, the group advocates a relationship supported in trust, collaboration and shared value creation ([Supplier Management](#)). Finally, on the customer side, EDP has a growth strategy supported by an increasingly clean supply, contributing to higher energy efficiency through decarbonisation solutions ([Decarbonising the world](#)).

Consolidation criteria

The consolidation criteria of non-financial information are as follows:

- in the subsidiary companies where the group exercises control, the performance of companies is reported at 100%
- in jointly controlled companies and where the group exercises significant influence, the operational, environmental and social information is published, given its relevance to the group.

A list with the companies and the respective consolidation method is available in [Part II – Financial statements](#).

Included in this list is the company Iberenergia, S.A.U. in which the group has a 100% holding and which is consolidated by the full consolidation method. This company owns 15.5% of Trillo Nuclear Power Plant and as EDP is a minority shareholder it does not exercise operational control or have the power to make financial decisions, through the limited percentage it owns of this power plant. Given this, EDP does not report operational, environmental and company information regarding this plant in its Integrated Annual Report. However, information on its performance can be consulted at www.cnat.es.

Materiality

In terms of sustainability management and reporting on its performance, the EDP Group periodically identifies the themes and trends that in the short, medium and long term are capable of influencing value creation for the company. The Material Issues add both financial and non-financial dimensions, namely those of the economic, environmental and social dimensions that may influence, or be influenced by, different EDP stakeholders.

The materiality analysis assesses and prioritises the relevance of an issue for EDP and its respective stakeholders, periodically reviewing their expectations in order to support the organisation's decision-making and strategy development process.

More detail on the EDP group's internal methodology for determining Materiality, as well as the list of topics analysed in 2020, is available in the EDP group's 2020 Materiality Process Report at www.edp.com.

Verification according to AA1000 (2018)

Material topics ([Chapter 2.2 Materiality](#)) are identified within the framework defined by AA1000 AP (2018), ensuring the identification of critical stakeholders; integrating their expectations into the corporate and operational strategy and seeking to respond appropriately to their expectations.

As in previous years, EDP was subject to verification of compliance with AA1000 AP (2018) in 2022 by the auditors, PwC, specifically in the principles of inclusion, materiality, response and impact.

Inclusion of stakeholders

The principle of inclusion envisages that stakeholders are consulted, that their expectations and concerns are known and are incorporated into the decision-making process.

Periodically, interaction initiatives are promoted with different segments of the company's stakeholders, while there are also dedicated communication channels devoted to specific segments.

Response and Integrity

EDP undertook commitments and delineated Action plans for material themes, replying strategically to the main stakeholders' expectations. The Objectives and Goals are listed in [Chapter 2.4. Strategic priorities](#), and in [Chapter 2.2. Materiality](#) is the group's materiality matrix for 2022, whose themes are developed throughout the document.

Internal and external assurance

The overall coordination of the process of preparing the EDP Sustainability Report is the responsibility of the Sustainability Department. The contents are subsequently viewed and approved by the Executive Board of Directors.

The external verification of sustainability content, carried out by PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda. has the external verification level "Limited" for a set of indicators according to the [GRI Table](#). Except for the emission and energy consumption indicators which are appropriately flagged with "Reasonable assurance".

GRI and Global Compact

The [GRI Table](#) lists the GRI-Standard indicators in accordance with the GRI Standards for the period from January 1st, 2022 to December 31st, 2022 and the specifics of the G4 Electric Utilities Sector Disclosures, assuming deadlines for the implementation of the indicators for which full compliance has not yet been possible. Simultaneously, the following table identifies the available information that responds to the ten principles of the Global Compact, demonstrating EDP's commitment to this initiative.

WE SUPPORT



Annex 3 – Proposal for the appropriation of profits

In accordance with Article 30 (1) of EDP's Articles of Association, the Executive Board of Directors hereby proposes for approval by the Shareholders that:

1. The 2022 financial year results, in the total amount of € 848,564,984.40, have the following allocation:
 - Endowment to EDP Foundation* → € 6,200,000.00
 - Retained Earnings → € 842,364,984.40
2. Dividends to be paid in the amount of €0.190 per share, in the total amount of €753.479.392,28.

*The proposed endowment amount remains unchanged from 2019.

The total amount of € 753,479,392.28 in dividends to be paid from distributable assets, corresponding to €0.190 per share, considers the total number of shares representing EDP's share capital, nevertheless, under applicable law, no payment of dividends shall take place regarding own shares held by EDP as of the date that dividends are made available for payment, and such amount is added to the amount of retained earnings.

Additionally, EDP is studying the possibility of carrying out an accelerated book building under the authorization of article 4, paragraph 4 of the Bylaws. If, as a result of this accelerated book building, the share capital is increased, the proposal for the distribution of results to be presented to the EDP General Assembly will be revised accordingly, in particular:

- i. allocating the necessary amount to the legal reserve; and
- ii. maintaining the dividend of €0.190 per share.

Annex 4 – 2022 goals follow-up

		GOAL 2022	STATUS 2022	
Leading the energy transition	Renewable installed capacity	78%	79%	
	Solar installed capacity (centralized and distributed)	>1,000 MW	2,094 MW	
	CO ₂ eq specific emissions variation vs. 2005	-65%	-74%	
	Internalise the TCFD recommendations	100%	≈100%	• The adoption of the recommendations is a process of continuous improvement that EDP continues with the objective of further progress in reporting
	Customers with value-added services	30%	38%	
	Customers with electric mobility solutions	100k	76.5k	• Goal extended to 180k in 2025
	Electrification of EDP's light duty fleet	>20%	15%	• Impact of the pandemic and constraints on the supply chain led to delays in car deliveries and the evolution of technology
	Saved energy by costumers (since 2015)	5 TWh	5.6 TWh	
	Smart meters in Iberia	>70%	78%	
	Customer's satisfaction index	>75%	80%	
	Carbon neutrality in EDP's office buildings	100%	24%	• Goal extended to 100% in 2026
	Climate change adaption plans (design)	100%	100%	
Investment in access to electrification	€20M	€7.1M	• Goal extended to €20M in 2025 (accumulated since 2021)	
Commitment to society and the environment	Average waste recovery rate	75%	95%	
	Single-use plastics eliminated	100%	100%	
	Environmental accidents and penalties	0	0	
	Female employees	30%	27.5%	• Goal extended to 30% in 2025
	Fatal accidents (employees and service providers)	0	5	
	Investment in the community (since 2015)	€200M	€212M	
	Participation in voluntary actions	20%	31%	• Actions with fewer hours, despite the greater impact and greater number of volunteers
	Participation in voluntary actions	20,000h	10,551h	

Annex 5 – Tax transparency

The fiscal footprint of the group

EDP is a utility present in 29 countries, the value chain of which includes the activities of production, transportation and distribution and marketing of energy. These activities involve various types of taxes, levies and financial contributions which, when considered in a global manner, determine the level of taxation to which the EDP group is subject.

Of all the phases in the EDP value chain, its energy production activity is the one that contributes most significantly to the payment of taxes and other contributions.

Tax strategy mission

The EDP group's tax strategy rests on five fundamental pillars:

1. The EDP group considers that it has an ethical and civic duty to contribute to the financing of the general functions of the states where it is present by paying taxes, levies and other contributions due, contributing to the well-being of citizens and to the development of the group's local businesses. In this context, it carries out its fiscal function with the utmost rigour and professionalism in line with the Fiscal Mission of the EDP group, in accordance with the following principles:
 - it implements the options which are most appropriate to the business and shareholders in faithful compliance with the spirit and letter of the Law
 - it pays the taxes that are due in all the geographical areas where it carries out its activity
 - it adopts the principle of full competition in intra-group transactions, in the context of applicable international rules, guidelines and best practice on transfer pricing in the light of Organisation for Economic Cooperation and Development (OECD) guidelines, implementing across the board an internal transfer pricing policy based on three main principles:
 - i. all intra-group transactions of a commercial or financial nature have pre-defined and aligned pricing with respect to their terms and conditions, in line with what would normally be practised between independent entities in comparable transactions

- ii. the determination of the transfer price is based on the economic rationale underlying intra-group transaction and cannot, in accordance with the internal rules of the EDP group, constitute a planning tool
 - iii. intra-group transactions are documented in accordance with the transfer pricing legislation in force in each geographical region. Transfer pricing tax dossiers are usually drawn up in which intra-group transactions are identified and their pricing is validated on the basis of economic analyses prepared by an independent body.
 - it adopts tax practices based on principles of economic appropriacy and commonly accepted business practices
 - it discloses true and complete information concerning the relevant transactions
 - it seeks to defend its legitimate interests by administrative means and, where appropriate, judicially, when the payment of any taxes, contributions and levies reasonably raises doubts of legality.
2. The EDP group reconciles responsible compliance with its tax obligations with the commitment to create value for its shareholders, advocating efficient management of its tax burden through the use of legally available tax benefits and incentives in each jurisdiction and which are appropriate to the business carried out.
 3. The EDP group is committed to maintaining a relationship with the Tax Authorities of the countries where it operates based on principles of trust, goodwill, transparency, cooperation and reciprocity, the aim being to facilitate the implementation of tax law and minimize litigation.

However, whenever adjustments promoted by the Tax Authorities, in particular in transfer pricing, result in double taxation of income within the group because different geographical regions are involved, EDP may consider it appropriate to challenge this situation by using the legal mechanisms provided for this purpose (Conventions to Avoid Double Taxation/Friendly Procedure/Tax Arbitration).
 4. The EDP group applies responsible fiscal policies, striving to maintain a low-risk tax profile that allows it to avoid conduct that could generate significant tax risks. To this end, it has put in place an across-the-board risk management policy with the objective of identifying, quantifying, managing, monitoring and minimizing, among other things, fiscal risks, in close liaison with the highest levels of control and decision (Executive Board of Directors and General and Supervisory Board). In this implementation, the General Supervisory Board appointed a Committee on Financial Matters/Audit Committee, which, among others, has the function of tracking and monitoring the group's policy and fiscal activity.

5. The EDP group regards transparency as a basic principle for its fiscal function, particularly through:

- not using opaque structures or operations in jurisdictions for reasons that are not strictly connected to the economic activity carried out within them. The EDP group does not have subsidiaries in territories considered to be uncooperative under Portuguese legislation and/or OECD guidelines
- the mission and Fiscal Policy, followed right across the EDP group, was approved by the group's Executive Board of Directors, is available online and is mentioned in the EDP group's Report and Accounts.

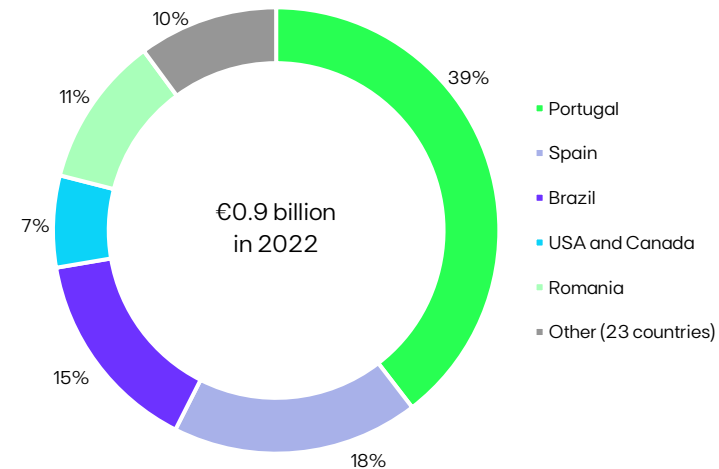
Global contribution of the EDP group

In 2022, the EDP group's overall tax contribution to the public revenue of the various countries where it is present amounted to around 3 billion euros, of which 891 million euros corresponded to taxes and contributions borne (paid) by the EDP group and 2.1 billion euros to contributions to the State on behalf of other economic actors, as seen in the following charts (side column and next page).

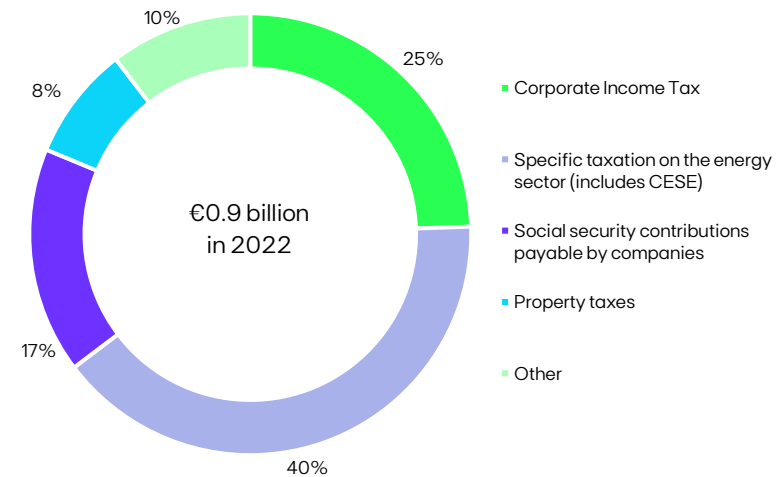
Regarding the taxes borne by the EDP group, Portugal is the country with the highest level of taxation, accounting for 40% of total taxes borne by the EDP group.

Considering the set of taxes that are the burden of the EDP group, the most relevant tranche (31%) concerns specific taxation on the energy sector (including the windfall tax paid in Romania and Italy and the Extraordinary Contribution to the Energy Sector in Portugal – ECES), followed by income tax (24%) and, finally, social security contributions borne by companies (17%).

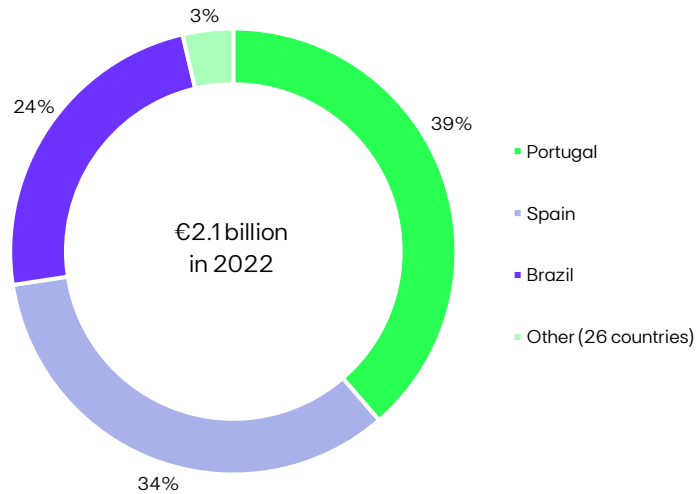
TAXES BORNE (PAID) BY THE EDP GROUP, BY THE GEOGRAPHICAL AREA



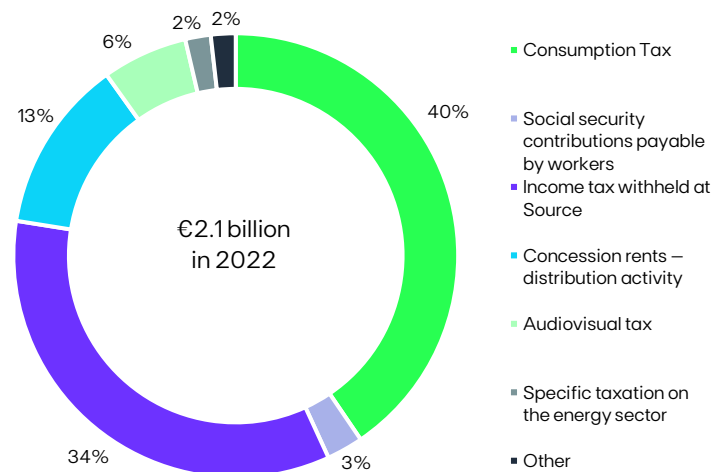
TAXES BORNE (PAID) BY THE EDP GROUP, BY THE TYPE OF CONTRIBUTION



TAXES COLLECTED BY THE EDP GROUP AND DELIVERED TO THE STATES (BURDEN OF OUR AGENTS), BY GEOGRAPHICAL AREA



TAXES COLLECTED BY THE EDP GROUP AND DELIVERED TO THE STATES (BURDEN OF OUR AGENTS), BY TYPE OF CONTRIBUTION



As regards income taxes, in the main countries in which it operates, the EDP group is subject to nominal rates of taxation varying between 16% in Romania and 31.5% in Portugal, adding municipal and state surtaxes to the nominal rate in the case of companies located in Portugal.

In Portugal, taxes borne (paid) in 2022 amounted to 352 million euros, essentially underlining the burden of specific taxation for the energy sector, of which 52 million euros refers to the ECES, and 74 million euros of social tariff. To these amounts should be added 77 million euros of social security contributions payable by the companies and 92 million euros relating to other taxes and levies.

With regard to taxes collected by the EDP group and delivered to the states where it carries out its activity (third-party costs), this value rose to 2.1 billion euros in 2022, mostly associated with the collection of excise taxes (e.g.: VAT).

Specific taxation for the energy sector

Specific taxation on the energy sector is a significant burden on the EDP group, especially in Portugal, which in 2022 represents about 48% of the total amount paid by the entire EDP group in the field of taxes associated with the energy sector.

In view of the high impact that the energy sector has on communities (populations and environment), especially the electricity sector, and its weighting in economies, several countries have implemented specific taxation mechanisms in this regard.

This taxation is not generally related to the result of the economic activity carried out and is liable to influence the decisions of economic agents in the development of their businesses and in financing, investment and divestment decisions.

In fact, while income taxes are levied on taxable income, other taxes, levies and contributions of significant impact relate, for example, to the quantity of energy produced, the use of natural resources, the possession of certain assets associated with the generation and distribution of electricity, waste produced or the use of fossil fuels, and are therefore not related to the economic performance of the business as reflected in its accounting results, thus capturing part of the share value.

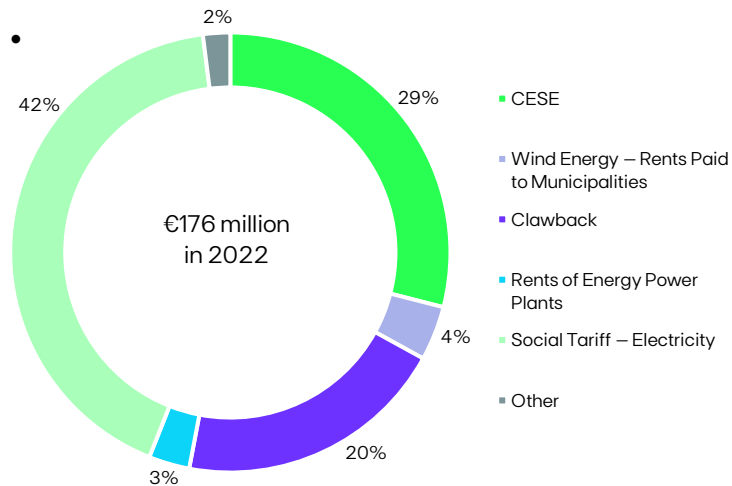
Specific taxation for the energy sector in 2022

In the context of energy emergency and with a view to tackling high energy prices, Council Regulation (EU) 2022/1854 of 6 October 2022 (Regulation) came into force, which provided for, among other things, the introduction of price cap mechanisms for market revenues obtained by electricity producers from, essentially, renewable energy, and a temporary solidarity contribution applicable exclusively to companies active in the crude oil, natural gas, coal and refining sectors.

Although the rules contained in this Regulation are aimed at creating standardising measures in the European Union in response to rising energy prices, certain countries where the EDP group is present have introduced unilateral measures, giving rise to the payment of windfall taxes in Romania and Italy, amounting to approximately 101 million euros and 9.5 million euros respectively.

Nevertheless, based on the set of countries where the EDP group operates, Portugal continues to be the one with the highest level of energy taxation, both in the number of taxes and in amounts collected, having represented, in 2022, a charge of 176 million euros, as presented here:

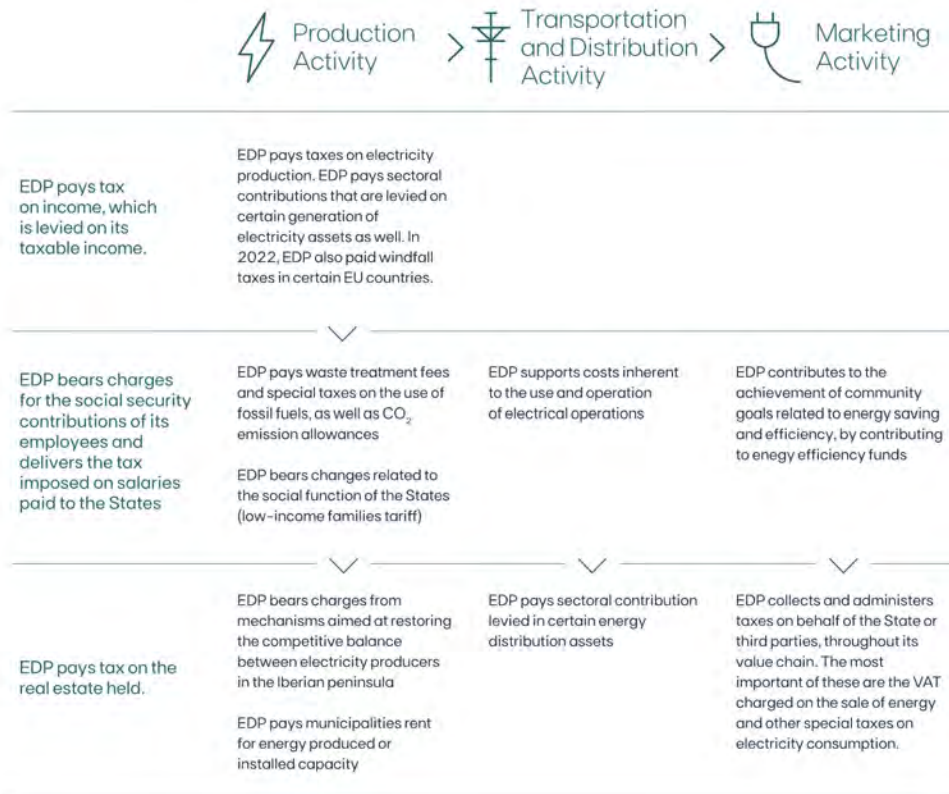
SPECIFIC TAXES AND CONTRIBUTIONS ON THE ENERGY SECTOR BORNE (PAID) BY THE EDP GROUP, IN PORTUGAL



the social tariff consists of a discount on the electricity bill allocated to economically vulnerable consumers, the number of which has been extended over time, and which is fully financed by ordinary electricity producers. In 2022, the amount borne by the EDP group in this respect amounted to approximately 74 million euros

- in 2022, EDP group paid 51.5 million euros by way of ECES. This tax is on the net assets of the production, transport, distribution and marketing of electricity
- the mechanism to restore competitive balance between electricity producers operating on Portuguese territory and electricity producers operating in Spain (known as clawback) was created following the introduction of the *Impuesto Sobre el Valor de la Producción de la Energía Eléctrica* in Spain. The latter was suspended in Spain during 2022, and Portuguese legislature also provided for the suspension of clawback for the same period. However, the chart shows an amount paid of approximately 36 million euros, which corresponds to payments for the years 2019 and 2020.

TAXATION IN THE VALUE CHAIN



Disclosure of fiscal information

On a quarterly basis, the EDP group describes in its Reports and Accounts the main characteristics of the tax systems applicable in the countries where it operates, such as nominal rates for tax on income, the legal framework for tax losses/benefits and the most relevant legislative changes. In addition, this publicly disclosed information includes an analysis of the reconciliation between the nominal rate and the effective rate of tax on income applicable to the EDP group, in a consolidated way. Through this analysis, the EDP group explains the weighting of the tax on income recorded in the income statement, which includes, overall, the impact of current tax and the effect of existing temporary differences (deferred taxes).

To the extent that the international accounting regulation (IFRS) under which the EDP group prepares and discloses its financial statements does not necessarily advocate alignment between the accounting of income tax expenditure or income and the corresponding cash inflow or outflow effect, it should be stressed that the information contained in the report and accounts does not necessarily represent the tax paid or received by the EDP group, in the period to which it relates.

Rather, in this Report, taxes paid and received by the EDP group are disclosed on an annual basis, including a set of fiscal information and metrics.

In addition, it should be noted that the EDP group, as a multinational group, fully complies with the annual communication and reporting obligations arising from the implementation of the provisions of Action 13 of the Base Erosion and Profit Shifting project (known as Country-by-Country Reporting), which is part of a plan to strengthen transparency for tax administrations adopted by the OECD and G20 countries. This obligation is fulfilled in Portugal by the parent company, in accordance with the established legal deadlines (corresponding to the last reporting period for 2021).

Also, within the Framework of the OECD and its Pillar 2 project – which aims to ensure a minimum overall effective taxation of 15% in each geographical region where the multinational company has a presence – EU Directive 2022/2523 was published on 14 December, which came into force the day following its publication in the Official Journal of the EU and is due to be transposed by Member States by 31 December 2023. Taking into account the preliminary analysis carried out on it and the magnitude of EDP group’s consolidated income, it is expected that it will be subject to this tax regulation. However, since its implementation is dependent on the terms under which it is transposed by the various Member States it is not yet possible to anticipate the impact of this regulation on the EDP group.

Financial risk management

The fiscal risk management and control process begins with the identification and cataloguing of the risks to which the EDP group is subject.

In this sense, the EDP group continuously monitors fiscal risks and uncertainties, conducting regular exercises to identify and quantitatively assess its main fiscal risks, and closely monitoring the development of possible external events with potential material impact. The group identifies the risks to which it is exposed based on the following classification:

- compliance risk, associated with potential full and timely failure to comply with tax obligations
- technical analysis risk that leads to potentially less appropriate fiscal decision-making, especially in contexts of uncertainty concerning its fiscal handling
- internal and external communication risk, associated with the risk of deficient communication between the teams that make up the tax areas and internal (e.g., business units) or external entities (e.g.: Tax Authorities)
- reputational risk, related to distortions in stakeholders' interpretation of the financial and tax information disclosed.

Contingency, in close cooperation with the relevant business units, corporate legal services and external lawyers and consultants, with a six-monthly report of their development presented to the General and Supervisory Board of the EDP group.

In addition, the EDP group's Executive Board of Directors is involved in the decision-making process of the most important operations, and fiscal impact, if any, must be analysed, recorded and included in the documentation submitted for approval, in particular when this may constitute an important element in decision-making, in order to ensure long-term value creation for shareholders.

EDP also has a Financial Matters Committee/Audit Committee, the main mission of which, by delegation of the General and Supervisory Board, is to monitor and supervise, on a permanent basis, inter alia, matters related to the internal control system of financial information and the risk management process, in particular in the area of tax.

Annex 6 – ESG Frameworks

Annex 6.1. – Non-financial statement

Consolidated and company non-financial statements under articles 66th –B and 508th –G of the Commercial Companies Code

ARTICLE 6.TH–B AND 508.TH–G	DESCRIPTION AND DUE DILIGENCE PROCESSES		ASSOCIATED RISKS	RESULTS	KEY PERFORMANCE INDICATORS
Environmental policies	Code of Ethics Sustainable Development Principles Corporate Risk Management Policy	Environmental policy	2.3. Risk Management	3.6.1. Decarbonising the world 3.6.3.2. Caring for our planet	4.1. ESG and Operational Indicators 4.2. GRI Indicators Annex 6.3. – TCFD Table Annex 6.4. – SASB Table Annex 9 – Report on the allocation and impact of green finance Report on the implementation of Article 8^o of the European Taxonomy Regulation
Workers related social policies	Code of Ethics Sustainable Development Principles Corporate Risk Management Policy	Health and safety work policy Healthy competition practices commitment Information security policy Stakeholder relationship policy Training policy Internal mobility policy (internal and international) Social investment policy Volunteering policy EDP's supplier code of conduct Sustainable procurement policy EDP's integrity policy Declaration of respect for Human and Labour rights EDP's personal data protection policy	2.3. Risk Management	3.6.1.2. Customer satisfaction and service 3.6.2.1. Ethics and compliance 3.6.2.2. Communication and transparency 3.6.2.3. Transforming our business 3.6.2.4. People management 3.6.2.5. Health and Safety 3.6.3.3. Supplier management 3.6.3.4. Respect and advocate for Human Rights 3.6.3.5. Voluntary investment in the community	4.1. ESG and Operational Indicators 4.2. GRI Indicators Annex 6.3. – TCFD Table Annex 6.4. – SASB Table Annex 9 – Report on the allocation and impact of green finance Report on the implementation of Article 8^o of the European Taxonomy Regulation
Equality policies between men and women	Code of Ethics Sustainable Development Principles Corporate Risk Management Policy	Diversity Policy Declaration of respect for Human and Labour rights EDP policy on selection of the members of the GSB and EBD	2.3. Risk Management	3.6.2.1.1. Ethics 3.6.2.4. People management 3.6.3.4. Respect and advocate for Human Rights Part III – Corporate Governance Report	4.1. ESG and Operational Indicators 4.2. GRI Indicators Annex 6.3. – TCFD Table Annex 6.4. – SASB Table Annex 9 – Report on the allocation and impact of green finance

ARTICLE 6.TH-B AND 508.TH-G	DESCRIPTION AND DUE DILIGENCE PROCESSES		ASSOCIATED RISKS	RESULTS	KEY PERFORMANCE INDICATORS
					Report on the implementation of Article 8^o of the European Taxonomy Regulation
Non-discrimination policies	Code of Ethics Sustainable Development Principles Corporate Risk Management Policy	Diversity Policy Declaration of respect for Human and Labour rights EDP policy on selection of the members of the GSB and EBD	2.3. Risk Management	Shareholder structure and Corporate Governance Our Corporate Bodies 3.6.1.2. Customer satisfaction and service 3.6.2.1.1. Ethics 3.6.2.4. People management 3.6.3.4. Respect and advocate for Human Rights Part III – Corporate Governance Report	4.1. ESG and Operational Indicators 4.2. GRI Indicators Annex 6.3. – TCFD Table Annex 6.4. – SASB Table Annex 9 – Report on the allocation and impact of green finance Report on the implementation of Article 8^o of the European Taxonomy Regulation
Human rights policies	Code of Ethics Sustainable Development Principles Corporate Risk Management Policy	Stakeholder relationship policy Social investment policy Volunteering policy EDP's supplier code of conduct Sustainable procurement policy	2.3. Risk Management	3.6.2.1. Ethics and compliance 3.6.2.4. People management 3.6.2.5. Health and Safety 3.6.3.3. Supplier management 3.6.3.5. Voluntary investment in the community	4.1. ESG and Operational Indicators 4.2. GRI Indicators Annex 6.3. – TCFD Table Annex 6.4. – SASB Table Annex 9 – Report on the allocation and impact of green finance Report on the implementation of Article 8^o of the European Taxonomy Regulation
Policies against corruption and bribery attempt	Code of Ethics Sustainable Development Principles Corporate Risk Management Policy	Healthy competition practices commitment EDP's supplier code of conduct Sustainable procurement policy EDP's integrity policy	2.3. Risk Management	3.6.2.1. Ethics and compliance 3.6.2.2. Communication and transparency 3.6.3.3. Supplier management	4.1. ESG and Operational Indicators 4.2. GRI Indicators Annex 6.3. – TCFD Table Annex 6.4. – SASB Table Annex 9 – Report on the allocation and impact of green finance Report on the implementation of Article 8^o of the European Taxonomy Regulation
Brief description of the company's business model	Our Presence; Our Organisation; Business Model; 2. Strategic Approach;				

ARTICLE 6.TH-B AND 508.TH-G	DESCRIPTION AND DUE DILIGENCE PROCESSES	ASSOCIATED RISKS	RESULTS	KEY PERFORMANCE INDICATORS
Reference to the amounts in the annual financial statements and additional explanations of amounts reported	3.6.3.1.1. Creation of a long-term value Part I – Management Report – 3.4. Financial Analysis; Part II – Financial Statements			

Annex 6.2. – CMVM table

The following table sets out the Portuguese Securities Market Commission (CMVM) guidelines for the disclosure of non-financial information by companies issuing securities admitted for trading in a regulated market. Much of the information required is already subject to mandatory disclosure under Article 66-B and approval by the general meeting under Article 65, both from the Commercial Companies Code, and is reflected in the Annex 6.1. – Non-financial statement. They also reflect relevant information to be provided to investors and other stakeholders made available in the following items: Annex 6.3. – TCFD table and Annex 6.4. – SASB table.

Voluntary declaration of compliance

Part I – Information on policies adopted

REPORTING GUIDELINES FOR NON-FINANCIAL INFORMATION	ADOPTED BY EDP (Y/N)	LOCATION	DESCRIPTION IN THE REPORT
<p>A. Introduction</p> <p>Description of the company's general policy on sustainability issues, indicating any changes to the policy previously approved. Description of the methodology and the reasons for its adoption in the reporting of non-financial information, as well as any changes that have occurred in relation to previous years and the reasons for these changes.</p>	Yes	Integrated Annual Report 2022	<p>This report</p> <p>Message from the CEO</p> <p>Vision, values and commitments</p>
<p>B. Business model</p> <p>General description of the company/group's business model and form of organisation, indicating the main business areas and markets where it operates (if possible, using organisational diagrams, graphs or functional charts).</p>	Yes	Integrated Annual Report 2022	<p>Our key metrics</p> <p>Our presence</p> <p>Our organisation</p> <p>Our business model</p>
<p>C. Main risk factors</p> <p>Identification of the main risks associated with the topics being reported on and arising from the Company's activities, products, services or business relations, including, where appropriate and whenever possible, the supply and subcontracting chains. Indication of how these risks is identified and managed by the Company. Explanation of the internal functional division of powers, including the governing bodies, commissions, committees or departments responsible for identifying and managing/monitoring risks. Explicit indication of the new risks identified by the Company in relation to those reported in previous years, as well as the risks no longer identified as such. Indication and brief description of the main opportunities identified by the Company in the context of the topics being reported on.</p>	Yes	Integrated Annual Report 2022	<p>Shareholder structure and corporate governance</p> <p>Sustainability Organisation (www.edp.com)</p> <p>2.1. Global energy trends</p> <p>2.3. Risk management</p> <p>3.2. Risk management in the year</p> <p>3.6.2.6. Crisis management</p> <p>3.6.2.1.2. Compliance</p> <p>3.6.3.3. Supplier management</p> <p>Annex 2 – Reporting principles</p>
<p>D. Policies IMPLEMENTED</p> <p>Description of the Company's policies: i. environmental, ii. social and fiscal, iii. concerning employees and gender equality and non-discrimination, iv. concerning human rights and v. concerning fighting corruption and Company bribery attempts, including due diligence policies, as well as the results of their implementation, including related non-financial key performance indicators in comparison with the previous year.</p>			

REPORTING GUIDELINES FOR NON-FINANCIAL INFORMATION		ADOPTED BY EDP (Y/N)	LOCATION	DESCRIPTION IN THE REPORT
I. Environmental policies	Description of the Company's strategic objectives and the main actions to be undertaken to achieve them. Description of the key performance indicators defined. Indication, in relation to the previous year, of the degree of achievement of those objectives, at least by reference to:	Yes	Integrated Annual Report 2022	2. Strategic approach Policies and documentation (www.edp.com)
i) Sustainable use of resources	Consumption of water, other raw materials and energy; indication of measures taken to improve the efficiency of use of these resources; indication of the use of measures to promote energy efficiency and the use of renewable energies	Yes	Integrated Annual Report 2022	3.6.3.2. Caring for our planet 4.2. GRI Indicators – Environmental indicators
ii) Pollution and climate change	Indication of greenhouse gas emission values; indication of pollutant emission into nature; indication of penalties incurred and measures to prevent, reduce or remedy such emissions.	Yes	Integrated Annual Report 2022	3.6.3.2. Caring for our planet 4.2. GRI Indicators – Environmental indicators
iii) Circular economy and waste management	Measures for the prevention, recycling, reuse or other forms of recovery and disposal of waste.	Yes	Integrated Annual Report 2022	3.6.3.2. Caring for our planet 4.2. GRI Indicators – Environmental indicators
iv) Protection of biodiversity	Impacts caused by activities or operations in protected areas, and actions taken to preserve or restore biodiversity.	Yes	Integrated Annual Report 2022	3.6.3.2. Caring for our planet 4.2. GRI Indicators – Environmental indicators Biodiversity Report available (www.edp.com)
II. Social and fiscal policies	Description of the Company's strategic objectives and the main actions to be undertaken to achieve them. Description of the key performance indicators defined. Indication, in relation to the previous year, of the degree of achievement of those objectives, at least by reference to:	Yes	Integrated Annual Report 2022	2. Strategic approach Policies and documentation (www.edp.com)
i) The company's commitment to the community	The impact of the Company's activity on employment and local development; the impact of the Company's activity on local populations and the territory; the relations maintained with local community agents and the respective means of dialogue; partnership or sponsorship actions.	Yes	Integrated Annual Report 2022	3.6.3.5. Voluntary investment in the community
ii) Subcontracting and suppliers	The inclusion of social, gender equality and environmental issues in the purchasing policy; considerations in relations with suppliers and subcontractors and their social, environmental and governance responsibility; control and audit systems and their results. Where possible, include reference to the fact that the Company's suppliers apply policies consistent with those established by the Company.	Yes	Integrated Annual Report 2022	3.6.3.3. Supplier management
iii) Consumers	Measures for consumer health and safety; systems for receiving complaints and their handling and resolution, including the number of complaints received and the number of pending complaints, as well as those in which the complainant was found to be right, satisfaction surveys, and indication of the person responsible for complaints.	Yes	Integrated Annual Report 2022	3.6.1.2. Customer satisfaction and service
iv) Responsible investment	If applicable, information on the responsible investment the Company has sought to attract, including in relation to the issue/acquisition of green bonds or SDG-linked bonds.	Yes	Integrated Annual Report 2022	3.6.3.1. Sustainable finance Annex 9 – Report on the allocation and impact of Green Finance

REPORTING GUIDELINES FOR NON-FINANCIAL INFORMATION		ADOPTED BY EDP (Y/N)	LOCATION	DESCRIPTION IN THE REPORT
v) Stakeholders	Information on any arrangements for consulting stakeholders	Yes	Integrated Annual Report 2022	Stakeholders Management
vi) Tax information	Information on measures or acts with a fiscal impact, including any subsidies or any kind of advantage or financial advantage granted by the State.	Yes	Integrated Annual Report 2022	3.6.2.2.2. Fiscal transparency Annex 5 – Fiscal transparency
III. Workers and gender equality and non-discrimination	Description of the Company's strategic objectives and the main actions to be undertaken to achieve them. Description of the key performance indicators defined. Indication, in relation to the previous year, of the degree of achievement of those objectives, at least by reference to:	Yes	Integrated Annual Report 2022	2. Strategic approach Policies and documentation (www.edp.com)
i) Employment	Total number and distribution of employees by gender, age, country and job classification, as well as total number and distribution of contractual arrangements (e.g. employment contract, service providers, temporary work, etc.) by gender and age, average length of contracts; percentage of the workforce receiving the national minimum wage, regardless of contractual relationship; remuneration for equal or median positions in the company, by gender; average remuneration of directors and managers, including variable remuneration, allowances, severance payments, payment to long-term savings schemes and any other payment broken down by gender; employees with disabilities (including indication of how the Company is complying, or preparing to comply, with Law No. 4/2019 of 10 January regarding the system of employment quotas for persons with disabilities).	Yes	Integrated Annual Report 2022	3.6.2.4. People management People Report (www.edp.com) 4.2. GRI Indicators – Social indicators
ii) Organisation of work	Organisation of working time, including measures to facilitate the separation between work and family life.	Yes	Integrated Annual Report 2022	3.6.2.4. People management People Report (www.edp.com) 4.2. GRI Indicators – Social indicators
iii) Health and safety	Occupational health and safety conditions and number of occupational accidents.	Yes	Integrated Annual Report 2022	3.6.2.5. Health and safety 4.2. GRI Indicators – Social indicators
iv) Corporate relations	Organisation of corporate dialogue, including procedures for informing and negotiating with staff, particularly the number of interactions with trade unions and/or works committees, if any; new agreements concluded or revision of agreements in force; number of court cases and complaints to the Authority for Working Conditions; percentage of employees covered by collective agreements by country; evaluation of collective agreements, including in the field of occupational health and safety.	Yes	Integrated Annual Report 2022	3.6.2.4. People management People Report (www.edp.com) 4.2. GRI Indicators – Social indicators
v) Training	The policies applied in the field of training and the type of training (e.g., whether the company provides its employees with training on issues related to the assessment of the company's performance in "non-financial" matters (e.g., privacy protection/GDPR, combatting money laundering/AML, Human Rights in the value chain, etc.); the ratio between hours of training and number of employees.	Yes	Integrated Annual Report 2022	3.6.2.4. People management People Report (www.edp.com) 4.2. GRI Indicators – Social indicators

REPORTING GUIDELINES FOR NON-FINANCIAL INFORMATION		ADOPTED BY EDP (Y/N)	LOCATION	DESCRIPTION IN THE REPORT
vi) Equality	Measures/policies taken to promote equal treatment and equal opportunities between genders; equality plans; number of dismissals by gender; protocols against sexual harassment and gender-based harassment; policies for integration and universal accessibility of people with disabilities; policies against all types of discrimination and, where appropriate, diversity management.	Yes	Integrated Annual Report 2022	3.6.2.4. People management People Report (www.edp.com)
IV. Human Rights	Description of the Company's strategic objectives and the main actions to be undertaken to achieve them. Description of the key performance indicators defined. Indication, in relation to the previous year, of the degree of achievement of those objectives, at least by reference to	Yes	Integrated Annual Report 2022	2. Strategic approach Policies and documentation (www.edp.com)
i) Due diligence procedures	Applied with regard to human rights, in particular in relation to the contracting of suppliers and service providers.	Yes	Integrated Annual Report 2022	3.6.3.3. Supplier management 3.6.3.4. Respect and advocate for Human Rights
ii) Risk prevention measures	For human rights violations and, where appropriate, measures to remedy any abuses; elimination of discrimination in respect of employment (where not already mentioned above); elimination of forced or compulsory labour; effective abolition of child labour.	Yes	Integrated Annual Report 2022	3.6.3.4. Respect and advocate for Human Rights
iii) Legal proceedings	For violation of human rights	Yes	Integrated Annual Report 2022	3.6.3.4. Respect and advocate for Human Rights
V. Combating corruption and attempted bribery			Integrated Annual Report 2022	Policies and documentation (www.edp.com)
I) Prevention of corruption	Measures and instruments adopted to prevent corruption and bribery; policies implemented to dissuade these practices among employees and suppliers; information on the compliance system indicating the respective functional leadership, if any; indication of legal proceedings involving the Company, its directors or employees related to corruption or bribery; measures adopted in public procurement, if relevant.	Yes	Integrated Annual Report 2022	3.6.2.1.2. Compliance
II) Prevention of money laundering (for issuing companies subject to this regime)	Information on measures to prevent and combat money laundering.	Yes	Integrated Annual Report 2022	3.6.2.1.1. Ethics
III) Codes of ethics	Indication of any code of ethics to which the Company has adhered or implemented; indication of the respective mechanisms for implementing and monitoring compliance with the code, if applicable.	Yes	Integrated Annual Report 2022	3.6.2.1.1. Ethics

REPORTING GUIDELINES FOR NON-FINANCIAL INFORMATION		ADOPTED BY EDP (Y/N)	LOCATION	DESCRIPTION IN THE REPORT
IV) Management of conflicts of interest	Measures to manage and monitor conflicts of interest, particularly requiring managers and employees to sign declarations of interests, incompatibilities and impediments.	Yes	Integrated Annual Report 2022 Regulation on conflicts of interest and business between related parties	Integrated Annual Report 2022: Part III – Corporate governance report | A. Ownership structure | II. Shareholding and bonds owned | 10. Significant business relationships between owners of qualifying holdings and the company 3.6.2.1.1. Ethics 3.6.2.1.2. Compliance Document regarding regulations on conflict interest and transactions between related parties of EDP www.edp.com

Part II – Information on the standards / guidelines followed

REPORTING GUIDELINES FOR NON-FINANCIAL INFORMATION	ADOPTED BY EDP (Y/N)	LOCATION	DESCRIPTION IN THE REPORT	
1. Identification of standards/guidelines followed in the reporting of non-financial information	Identification of the standards / guidelines followed in the preparation of non-financial information, including the respective options, as well as other principles considered in the Company's performance, if applicable. If the Company refers to the Sustainable Development Goals (SDG) of the United Nations 2030 Agenda, include identification of those to which the Company is committed to contributing, indicating the measures taken each year towards achieving the goals set for each of these SDGs. That is, identify concrete actions, projects or investments aimed at achieving this SDG.	Yes	Integrated Annual Report 2022	This report Annex 2 – Reporting principles Annex 6.1. – Non-financial statement
2. Identification of the scope and method for calculating indicators	Description of the scope and calculation method (including the calculation formula) for the indicators reported, as well as the limitations of that reporting. Whenever possible, a table should be presented showing the correlation between the indicators presented and the principles or objectives considered, indicating the website where the information is detailed (e.g., the page of the stand-alone report on non-financial information, the annual report and accounts, another document or the Company's website).	Yes	Integrated Annual Report 2022	4.2. GRI Indicators Annex 7 – Glossary
3. Explanation in the event of the non-application of policies	If the Company does not apply policies with respect to one or more matters, the reporting of non-financial information provides an explanation for this fact.	Yes	Integrated Annual Report 2022	Annex 2 – Reporting principles
4. Information under EU taxonomy's article 8 ^o	Article 8 of EU Taxonomy requires companies to disclose information on the proportion of the turnover, capital expenditure and operating expenditure ('key performance indicators') of their activities related to assets or processes associated with environmentally sustainable economic activities.	Yes	Integrated Annual Report 2022 Report on the implementation of Article 8 ^o of the European Taxonomy Regulation	Integrated Annual Report 2022: 3.6.3.1. Sustainable finance Report on the implementation of Article 8 of the European Taxonomy Regulation (www.edp.com)
5. Other information	Additional elements or information which, while not included in the previous points, are relevant for the understanding, contextualising and justification of the relevance of the non-financial information disclosed, in particular with regard to networks/consortia of entities linked to issues of sustainability and responsibility for the organisations of which it is a member/ to which it belongs, whether at the national or international level, and sustainability commitments that the Company has voluntarily assumed, at the local or global level.	Yes	Integrated Annual Report 2022	Part II – Financial statements

Annex 6.3. – TCFD alignment

TCFD table

TCFD Reporting recommendations		SEC- proposal climate disclosure*	non-financial statements (articles 66 th -b and 508 th -g of commercial law)				SASB**	
			Business model	Policies and due diligence processes	Main risks and their management	Outcomes	Key performance indicators	
Governance	a) Board's oversight	Board engagement and management roles in providing oversight of climate related risks and opportunities		Sustainability Organization				
	b) Management's role			Sustainability Organization				
Strategy	a) Climate-related risks and opportunities	Disclosure of the climate related risks that are material to a company			Climate Transition Plan and CDP Climate Change 2022		SASB Table – since the SASB framework refers to financially material topics, the associated quantitative and qualitative performance metrics should facilitate the development of ESG reports with CAE-level knowledge and approval that provide information on the effectiveness of a company's climate-related strategy, risk management and operational performance.	
	b) Impact of climate-related risks and opportunities	Description of the actual and potential impacts of those risks on the strategy, business model and outlook	Climate Transition Plan and CDP Climate Change 2022					
	c) Resilience of the organization's strategy		3.6.3.2.3. Climate change					
Risk management	a) Processes for identifying and assessing	Processes for identifying, assessing and managing climate related risks and whether any such processes are integrated into the company's overall risk management system or process			Climate Transition Plan and CDP Climate Change 2022			
	b) Processes for managing				Climate Transition Plan and CDP Climate Change 2022			
	c) Integration into overall risk management				Climate Transition Plan			
Metrics and targets	a) Metrics used to assess climate-related risks and opportunities in line	GHG emissions metrics for scope 1, 2 and 3, and other metrics used to				Climate Transition Plan		4.1 ESG and Operational Indicators – Decarbonising the

TCFD Reporting recommendations	SEC- proposal climate disclosure*	non-financial statements (articles 66 th -b and 508 th -g of commercial law)					SASB**
		Business model	Policies and due diligence processes	Main risks and their management	Outcomes	Key performance indicators	
with its strategy and risk management process	assess risks and opportunities are optional					world, Caring for our planet 4.2. GRI Indicators – Environmental indicators	
b) GHG emissions (scope 1, 2 and 3 and the related risks)	Scopes 1 and 2 GHG emissions metrics, separately disclosed, expressed as disaggregated and aggregate constituent greenhouse gasses, and in absolute and intensity terms.				3.6.1.1. Decarbonising the world 3.6.3.2.3. Climate change	4.1 ESG and Operational Indicators –Caring for our planet 4.2. GRI Indicators – Environmental indicators Annex 9 – Report on the allocation and impact of green finance	
c) Targets used for managing risks and opportunities related with climate and performance versus goals	Goals and company transition plan				2.4. Strategic priorities 2.5. Contribution to the SDGs Climate Transition Plan		

* The US Securities and Exchange Commission. Press the [link](#) for access to the proposal for climate disclosure rule. The benchmarks followed by EDP are CDP, GHG Protocol, GRI Standards and CELE (EU - ETS).

** Sustainability Accounting Standards Board

Annex 6.4. – SASB table

SASB ELECTRIC UTILITIES & POWER GENERATORS (SECTOR SICs) ¹							2022	NOTES
TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE SASB	GRI STANDARD			
NUMBER OF CUSTOMERS SERVED								
(1) residential		Quantitative	#	IF-EU-000.A	EU3	Operational data; 4.1. ESG and Operational indicators – Satisfaction and Customer Service – Customers by type of use		
(2) commercial		Quantitative	#	IF-EU-000.A	EU3	Operational data; 4.1. ESG and Operational indicators – Satisfaction and Customer Service – Customers by type of use		
(3) industrial		Quantitative	#	IF-EU-000.A	EU3	Operational data; 4.1. ESG and Operational indicators – Satisfaction and Customer Service – Customers by type of use		
TOTAL ELECTRICITY DELIVERED TO CUSTOMERS								
(1) residential		Quantitative	MWh	IF-EU-000.B	102-7	Partial: 4.1. ESG and Operational indicators – Customers and energy management		
(2) commercial		Quantitative	MWh	IF-EU-000.B	102-7	Partial: 4.1. ESG and Operational indicators – Customers and energy management		
(3) industrial		Quantitative	MWh	IF-EU-000.B	102-7	Partial: 4.1. ESG and Operational indicators – Customers and energy management		
(4) all other retail		Quantitative	MWh	IF-EU-000.B	102-7	Partial: 4.1. ESG and Operational indicators – Customers and energy management		
(5) wholesale		Quantitative	MWh	IF-EU-000.B	102-7	Partial: 4.1. ESG and Operational indicators – Customers and energy management		
Length of transmission and distribution lines		Quantitative	km	IF-EU-000.C	EU4	Distribution: 380,788 km; Transportation: 2,535 km Operational data; 4.1. ESG and Operational indicators – Regulated networks		
Total electricity generated, percentage by major energy source, percentage in regulated markets		Quantitative	MWh, %	IF-EU-000.D	EU2	61,350,646 MWh; 74% renewable; 52% wind; 19% hydro; 3% solar 4.1. ESG and Operational Indicators – Decarbonising the world		
Total wholesale electricity purchased		Quantitative	MWh	IF-EU-000.E			3,031,401	
(1) Gross global Scope 1 emissions		Quantitative	tCO ₂ -e	IF-EU-110a.1	305-4		9,405,035	

SASB ELECTRIC UTILITIES & POWER GENERATORS (SECTOR SICs) ¹							2022	NOTES	
TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE SASB	GRI STANDARD				
Greenhouse gas emissions & energy resource planning	(2) Percentage covered under emissions-limiting regulations	Quantitative	%	IF-EU-110a.1	EU5		99.7	2	
	(3) Percentage covered emissions-reporting regulations	Quantitative	%	IF-EU-110a.1	EU5		100	3	
	Greenhouse gas (GHG) emissions associated with power deliveries	Quantitative	tCO ₂ -e	IF-EU-110a.2	305-4		5,840,237	4	
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis		n/a	IF-EU-110a.3	305-4	2.4. Strategic priorities; 3.6.3.2.3. Climate change; 3.6.1. Decarbonising the world; CDP Climate Change 2022		
	(1) Number of customers served in markets subject to renewable portfolio standards (RPS)	Quantitative	#	IF-EU-110a.4			EDP didn't have customers served in markets subject to renewable portfolio standards (RPS)		
	(2) Percentage fulfilment of RPS target by market	Quantitative	%	IF-EU-110a.4			EDP didn't have customers served in markets subject to renewable portfolio standards (RPS)		
Air emissions of the following pollutants:									
Air quality	(1) NO _x (excluding N ₂ O)	Quantitative	t	IF-EU-120a.1	305-7		4,791		
	(2) SO _x	Quantitative	t	IF-EU-120a.1	305-7		2,346		
	(3) Particulate matter (PM10)	Quantitative	t	IF-EU-120a.1	305-7		232		
	(4) Lead (Pb)	Quantitative	t	IF-EU-120a.1	305-7		Not applicable	5	
	(5) Mercury (Hg)	Quantitative	t	IF-EU-120a.1	305-7		0.0368		
	(1) NO _x (excluding N ₂ O)	Quantitative	% of NO _x , SO _x , PM10; Pb and Hg from EDP's facilities that are located in or near areas of dense population	IF-EU-120a.1	305-7		100		
	(2) SO _x	Quantitative		IF-EU-120a.1	305-7		100		
	(3) Particulate matter (PM10)	Quantitative		IF-EU-120a.1	305-7		100		
	(4) Lead (Pb)	Quantitative		IF-EU-120a.1	305-7		Not applicable	5	
	(5) Mercury (Hg)	Quantitative		IF-EU-120a.1	305-7		100		
Water management	(1) Total water withdrawn	Quantitative	10 ³ xm ³	IF-EU-140a.1	303-1	4.2. GRI Indicators – Environmental indicators	675,668		
	(2.a) Total water consumed	Quantitative	10 ³ xm ³	IF-EU-140a.1	303-1		14,797		

SASB ELECTRIC UTILITIES & POWER GENERATORS (SECTOR SICS) ¹							2022	NOTES
TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE SASB	GRI STANDARD			
4.2. GRI Indicators – Environmental indicators								
	(2.b) Percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	%	IF-EU-140a.1	303-1	0.03% and 1.44% of total water withdrawn and total water consumed, respectively		
	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Quantitative	#	IF-EU-140a.2	307-1	No incidents of non-compliance. This indicator is yearly reported on CDP Water Security		
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	n/a	IF-EU-140a.3	103-1; 103-2; 103-3	CDP Water Security; www.edp.com sustainability>protecting our planet>circular economy>water		
Coal ash management	Amount of coal combustion residuals (CCR) generated	Quantitative	t	IF-EU-150a.1	306-2	264,294 4.1. ESG and Operational Indicators – Caring for our planet - Residual materials		
	Percentage of CCR recycled	Quantitative	%	IF-EU-150a.1	306-2	96.2		
	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	Quantitative	#	IF-EU-150a.2	306-2	Not available		
Energy affordability	Average retail electric rate for:							
	(1) residential	Quantitative	€/kWh	IF-EU-240a.1			Not available	
	(2) commercial	Quantitative	€/kWh	IF-EU-240a.1			Not available	
	(3) industrial customers	Quantitative	€/kWh	IF-EU-240a.1			Not available	
	Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month	Quantitative	Reporting currency	IF-EU-240a.2			Not available	
	Number of residential customer electric disconnections for non-payment	Quantitative	#	IF-EU-240a.3	EU27	4.1. ESG and Operational Indicators – Satisfaction and Customer Service – Service Reconnection		
	Percentage reconnected within 30 days	Quantitative	%	IF-EU-240a.3	EU28; EU29	4.1. ESG and Operational Indicators – Satisfaction and Customer Service – Service Reconnection		
Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	Discussion and Analysis	n/a	IF-EU-240a.4	G4-DMA: Access	3.6.1.2.7. Vulnerable customers; 3.1. Markets and regulation; 4.1. ESG and Operational Indicators – Satisfaction and Customer Service – Customers with social tariff, priorities and special needs			
Workforce health & safety	(1) Total recordable incident rate (TRIR)	Quantitative	Rate	IF-EU-320a.1	403-2; 403-3	2.82	6	

SASB ELECTRIC UTILITIES & POWER GENERATORS (SECTOR SICs) ¹							2022	NOTES
TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE SASB	GRI STANDARD			
							4.2. GRI Indicators – Social indicators	
	(2) Fatality rate	Quantitative	Rate	IF-EU-320a.1	403-2; 403-3		0.07	7
	(3) Near miss frequency rate (NMFR)	Quantitative	Rate	IF-EU-320a.1	403-2; 403-3		6.27	
							4.2. GRI Indicators – Social indicators	
End-use efficiency & demand	Percentage of electric utility revenues from rate structures that are decoupled	Quantitative	%	IF-EU-420a.1			Not applicable	
	Percentage of electric utility revenues from rate structures that contain a lost revenue adjustment mechanism (LRAM)	Quantitative	%	IF-EU-420a.1			Not applicable	
	Percentage of electric load served by smart grid technology	Quantitative	% by MWh	IF-EU-420a.2			86.7	
	Customer electricity savings from efficiency measures, by market	Quantitative	MWh	IF-EU-420a.3	302-4		5,620,790 MWh (accumulated since 2015)	
Nuclear safety & emergency management	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	Quantitative	#	IF-EU-540a.1			EDP consolidates the company Iberenergia S.A.U which the group owns at 100% and which consolidates by the method of integral consolidation, as EDP being a minority shareholder does not exercise operational control or have power in financial decision-making. Therefore, EDP does not report ESG information from this plant	
	Description of efforts to manage nuclear safety and emergency preparedness	Discussion and Analysis	n/a	IF-EU-540a.2			EDP consolidates the company Iberenergia S.A.U which the group owns at 100% and which consolidates by the method of integral consolidation, as EDP being a minority shareholder does not exercise operational control or have power in financial decision-making. Therefore, EDP does not report ESG information from this plant	
Grid resiliency	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	Quantitative	#	IF-EU-550a.1	418-1		Not available	
	(1) System Average Interruption Duration Index (SAIDI)	Quantitative	#	IF-EU-550a.2	G4-DMA Availability and Reliability		303	4.1. ESG and Operational Indicators – Satisfaction and Customer Service
	(2) System Average Interruption Frequency Index (SAIFI)	Quantitative	#	IF-EU-550a.2	G4-DMA Availability and Reliability		3.2	4.1. ESG and Operational Indicators – Satisfaction and Customer Service

SASB ELECTRIC UTILITIES & POWER GENERATORS (SECTOR SICS) ¹							2022	NOTES
TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE SASB	GRI STANDARD			
	(3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	Quantitative	#	IF-EU-550a.2	G4-DMA Availability and Reliability	4.1. ESG and Operational Indicators – Satisfaction and Customer Service	95.9	

¹ Industry composition is based on the mapping of the sustainable industry classification system (SICSTM) to the Bloomberg industry classification system (BICS). ² Only includes emissions from facilities covered by EU-ETS (Emission Trading System). ³ Includes CO₂ and SF₆ emissions from all thermal power plants. ⁴ EDP used national emission factors (Portugal, Spain and Brazil). ⁵ EDP didn't track lead. ⁶ Total recordable incident rate (TRIR) – Number of mandatory reporting work accidents per million hours worked over a period of one year (reference period); ⁷ Fatality rate – Number of fatal work accidents per million hours worked over a period of one year (reference period).

Annex 6.5. – GRI content index

EDP has reported in accordance with the GRI Standards for the period from 1 January 2022 to 31 December 2022.

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	REPORT	OMISSIONS / ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
GRI 2: GENERAL DISCLOSURES						
THE ORGANISATION AND ITS REPORTING PRACTICES						
2-1	Organisational details	This report; Global impact	|||||||		L	
2-2	Entities included in the organization's sustainability reporting	Notes to the Consolidated and Company Financial Statements | Annex I. Companies in the Consolidation Perimeter	|||||||		L	
2-3	Reporting period, frequency and contact point	This report; Reporting principles; GRI Standards reporting principles | Reporting quality | Timeliness | GRI content index; Contacts	|||||||		L	
2-4	Restatements of information			Not applicable	L	
2-5	External assurance	Reporting principles | GRI Standards reporting principles | Internal and external assurance; Certifications and declarations	|||||||		L	
2. ACTIVITIES AND WORKERS						
2-6	Activities, value chain and other business relationships	Our business model; Supplier management; GRI indicators | Social indicators; Financial Statements | Consolidated Statements of Financial Position	|||||||		L	
2-7	Employees	GRI indicators | Social indicators	|||||||		L	
2-8	Workers who are not employees	GRI indicators | Social indicators	|||||||		L	3;6
3. GOVERNANCE						
2-9	Governance structure and composition	Operational and ESG indicators | Corporate governance; Our Corporate Governance; Corporate Governance Report | Section 17 | General and Supervisory Board | Section 29 to B. Other Statutory Bodies	|||||||	www.edp.com	L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	REPORT	OMISSIONS / ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
2-10	Nomination and selection of the highest governance body	Corporate Governance Report	|||||||		L	
2-11	Chair of the highest governance body	Corporate Governance Report | Section 17 | General and Supervisory Board	|||||||		L	
2-12	Role of the highest governance body in overseeing the management of impacts	Stakeholders' management; Risk management; Ethics and compliance | Compliance | Corruption, bribery, fraud and money laundering prevention; Corporate Governance Report | Section 21 and Section 27 to 29 | A. The Committees of the General and Supervisory Board; Section 51 to 55	|||||||	www.edp.com	L	
2-13	Delegation of responsibility for managing impacts	Corporate Governance Report | Section 21	|||||||	www.edp.com	L	
2-14	Role of the highest governance body in sustainability reporting	Corporate Governance Report | Section 21; Reporting principles	|||||||	www.edp.com	L	
2-15	Conflicts of interest	Corporate Governance Report | V. Agreements affecting remuneration; VI. Stock purchase option plans ("Stock Options"); E. Transactions with related parties	|||||||		L	
2-16	Communication of critical concerns	Ethics and compliance | Ethics; Operational and ESG indicators | Ethics and Compliance; Corporate Governance Report | Section 21	|||||||		L	
2-17	Collective knowledge of the highest governance body	GRI indicators | Social indicators | Training	|||||||		L	
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report | Section 67 to 72	|||||||		L	
2-19	Remuneration policies	Corporate Governance Report | Section 66 to 84	|||||||		L	
2-20	Process to determine remuneration	Corporate Governance Report | Section 66 to 84	|||||||		L	
2-21	Annual total compensation ratio	GRI indicators | Social indicators | Employment	|||||||	ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual); 2.16	L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	REPORT	OMISSIONS / ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
4. STRATEGY, POLICIES AND PRATICES						
2-22	Statement on sustainable development strategy	Message from the CEO	|||||||		L	
2-23	Policy commitments	Ethics Code; Vision	|||||||	www.edp.com	L	10
2-24	Embedding policy commitments	Corporate governance report | Section 21; Code of ethics	|||||||	www.edp.com	L	
2-25	The management approach and its components (Grievance mechanisms)	Code of ethics; Risk management	|||||||	www.edp.com	L	
2-26	Mechanisms for seeking advice and raising concerns	www.edp.com	|||||||	www.edp.com	L	10
2-27	Compliance with laws and regulations	Operational and ESG indicators | Caring for our planet; GRI indicators | Economic indicators	|||||||		L	
2-28	Membership associations	www.edp.com	|||||||	www.edp.com	L	
5. STAKEHOLDER ENGAGEMENT						
2-29	Approach to stakeholder engagement	Stakeholder management	|||||||		L	
2-30	Collective bargaining agreements	Social indicators| Labour relations	|||||||		L	3
GRI 3: MATERIAL TOPICS						
DISCLOSURES ON MATERIAL TOPICS						
3-1	Process to determine material topics	Reporting principles; Sustainability Management Approach | Chapter 1.2. Sustainability	|||||||	www.edp.com	L	1-10
3-2	List of material topics	Sustainability Management Approach | Chapter 1.2. Sustainability; Reporting principles	|||||||	www.edp.com	L	1-10
3-3	Management of material topics	Sustainability Management Approach | Chapter 1.2. Sustainability	|||||||	www.edp.com	L	1-10
TOPIC STANDARDS						
GRI 200: ECONOMIC TOPICS						
GRI 201: Economic Performance						
201-1	Direct economic value generated and distributed	Operational and ESG indicators | Economic Business Sustainability	|||||||		L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	REPORT	OMISSIONS / ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
201-2	Financial implications and other risks and opportunities due to climate change	Climate change, EDP Climate Change 2022	|||||||	www.edp.com	L	7
201-3	Defined benefit plan obligations and other retirement plans	Financial Statements and Notes | Personnel Costs and Employee Benefits; 35. Employee Benefits	|||||||		L	
201-4	Financial assistance received from government	GRI indicators | Economic indicators	|||||||		L	
GRI 202: Market Presence						6
202-1	Ratios of standard entry level wage by gender compared to local minimum wage, by gender	Operational and ESG indicators | People Management	|||||||	Information by gender in clearance to be published in the People Report	L	
202-2	Proportion of senior management hired from the local community	GRI indicators | Social indicators	|||||||		L	
GRI 203: Indirect Economic Impacts						
203-1	Infrastructure investments and services supported	Voluntary investment in the community	|||||||		L	
203-2	Significant indirect economic impacts	Customer experience | Vulnerable clients; Voluntary investment in the community	|||||||		L	
GRI 204: Procurement Practices						
204-1	Proportion of spending on local suppliers	Operational and ESG indicators | Supplier management	|||||||		L	
GRI 205: Anti-corruption						10
205-1	Operations assessed for risks related to corruption	Ethics and Compliance | Compliance | Corruption, bribery, fraud and money laundering prevention; GRI indicators | Social indicators	|||||||		L	
205-2	Communication and training about anti-corruption policies and procedures	GRI indicators | Social indicators; www.edp.com	|||||||	www.edp.com	L	
205-3	Confirmed incidents of corruption and actions taken	Ethics and Compliance | Compliance | Corruption, bribery, fraud and money laundering prevention; Operational and ESG indicators | Ethics and Compliance	|||||||		L	
GRI 206: Anti-competitive Behaviour						
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Ethics and Compliance | Compliance | Fair competition practices	|||||||		L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	REPORT	OMISSIONS / ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
GRI 207: Tax						
207-1	Approach to tax	Communication and transparency | Fiscal Transparency	|||||||		L	
207-2	Tax governance, control, and risk management	Communication and transparency | Fiscal Transparency	|||||||		L	
207-3	Stakeholder engagement and management of concerns related to tax	Communication and transparency | Fiscal Transparency	|||||||		L	
207-4	Country-by-country reporting	Communication and transparency | Fiscal Transparency	|||||||		L	
GRI 300: ENVIRONMENTAL TOPICS						7; 8; 9
	ISO 14001 Certified maximum net installed capacity	GRI indicators | Environmental indicators	|||||||		L	
GRI 301: Materials						
301-1	Materials used by weight or volume	Operational and ESG indicators | Caring for our planet	|||||||		L	
301-2	Recycled input materials used	n.a.		Considered non-material compared to the quantity of materials used by EDP	L	
301-3	Reclaimed products and their packaging materials	n.a.		Not applicable	L	
GRI 302: Energy						
302-1	Energy consumption within the organization	GRI indicators | Environmental indicators	|||||||		R	
302-2	Energy consumption outside of the organization	GRI indicators | Environmental indicators	|||||||		L	
302-3	Energy intensity	GRI indicators | Environmental indicators	|||||||		L	
302-4	Reduction of energy consumption	Energy efficiency; Operational and ESG indicators | Decarbonising the World	|||||||		L	
302-5	Reductions in energy requirements of products and services			Not applicable to the sector	L	
GRI 303: Water						
303-1	Interactions with water as a shared resource	Water Management Approach	|||||||	www.edp.com	L	
303-2	Management of water discharged-related impacts	Sustainability Management Approach | Chapter 3.7. Effluents and Waste	|||||||	www.edp.com	L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	REPORT	OMISSIONS / ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
303-3	Water withdrawal	Operational and ESG indicators | Caring for our planet; GRI indicators | Environmental indicators	|||||||		L	
303-4	Water discharge	Operational and ESG indicators | Caring for our planet; GRI indicators | Environmental indicators	|||||||			
303-5	Water consumption	Operational and ESG indicators | Caring for our planet	|||||||			
GRI 304: Biodiversity						
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	GRI indicators | Environmental indicators	|||||||		L	
304-2	Significant impacts of activities, products, and services on biodiversity	Caring for our planet | Protection of biodiversity; www.edp.com	|||||||	www.edp.com	L	
304-3	Habitats protected or restored	www.edp.com	|||||||	www.edp.com	L	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	www.edp.com	|||||||	www.edp.com	L	
GRI 305: Emissions						
305-1	Direct (Scope 1) GHG emissions	Climate change; Operational and ESG indicators | Climate Change; GRI indicators | Environmental indicators	|||||||		R	
305-2	Energy indirect (Scope 2) GHG emissions	Climate change; Operational and ESG indicators | Climate Change; GRI indicators | Environmental indicators	|||||||		R	
305-3	Other indirect (Scope 3) GHG emissions	Climate change; Operational and ESG indicators | Climate Change; GRI indicators | Environmental indicators	|||||||		L	
305-4	GHG emissions intensity	GRI indicators | Environmental indicators	|||||||		L	
305-5	Reduction of GHG emissions	Climate change; Energy efficiency; Operational and ESG indicators | Climate Change; GRI indicators | Environmental indicators	|||||||		L	
	Avoided CO ₂ emissions	Renewable energies; Distributed generation; Energy efficiency	|||||||		L	
305-6	Emissions of ozone-depleting substances (ODS)	n.a.		Equipments with this substance no longer have expression in EDP	L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	REPORT	OMISSIONS / ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
305-7	Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant air emissions	GRI indicators | Environmental indicators	|||||||		R	
GRI 306: Waste						
306-1	Waste generation and significant waste-related impacts	Circular economy; Operational and ESG indicators | Caring for our planet; GRI indicators | Environmental indicators; Management approach on sustainability | Chapter 3.7 Effluents and waste	|||||||	www.edp.com	L	
306-2	Management of significant waste-related impacts	Circular economy; Operational and ESG indicators | Caring for our planet; GRI indicators | Environmental indicators; Management approach on sustainability | Chapter 3.7 Effluents and waste	|||||||	www.edp.com	L	
306-3	Waste generated	Management approach on sustainability | Chapter 3.7 Effluents and waste	|||||||	www.edp.com	L	
306-4	Waste diverted from disposal	Management approach on sustainability | Chapter 3.7 Effluents and waste	|||||||	www.edp.com	L	
306-5	Waste directed to disposal	Circular economy | Water management; Management approach on sustainability | Chapter 3.7 Effluents and waste	|||||||	www.edp.com	L	
GRI 308: Supplier Environmental Assessment						
308-1	New suppliers that were screened using environmental criteria	Supplier management	|||||||		L	
308-2	Negative environmental impacts in the supply chain and actions taken	Supplier management	|||||||	Information in clearance to be published in the Suppliers Report	L	
GRI 400: SOCIAL TOPICS						
GRI 401: Employment						6
401-1	New employee hires and employee turnover	Operational and ESG indicators | People Management	|||||||	Rate of new hires in clearance to be published in the People Report	L	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Rewards and benefits; Sustainability Management Approach | 4.1. Labour Practices	|||||||	www.edp.com	L	
401-3	Parental leave	GRI indicators | Social indicators	|||||||	Items c, d: definition clearance procedure ongoing	L	
Absenteeism rate		GRI indicators | Social indicators	|||||||		L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	REPORT	OMISSIONS / ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
GRI 402: Labour/Management Relations						3
402-1	Minimum notice periods regarding operational changes	Sustainability Management Approach | Labour Practices	|||||||	www.edp.com	L	
GRI 403: Occupational Health and Safety						
403-1	Occupational health and safety management system	Health and safety; Operational and ESG indicators | Health and safety; Safety and Business Continuity Report 2022	|||||||	www.edp.com	L	
403-2	Hazard identification, risk assessment, and incident investigation	Safety and Business Continuity Report 2022	|||||||	www.edp.com	L	
403-3	Occupational health services	Safety and Business Continuity Report 2022	|||||||	www.edp.com	L	
403-4	Worker participation, consultation, and communication on occupational health and safety	Safety and Business Continuity Report 2022	|||||||	www.edp.com	L	
403-5	Worker training on occupational health and safety	Safety and Business Continuity Report 2022	|||||||	www.edp.com	L	
403-6	Promotion of worker health	Safety and Business Continuity Report 2022	|||||||	www.edp.com	L	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety and Business Continuity Report 2022	|||||||	www.edp.com	L	
403-8	Workers covered by an occupational health and safety management system	Health and safety; Operational and ESG indicators | Health and safety; GRI indicators | Social indicators	|||||||		L	
403-9	Work-related injuries	Health and safety; Operational and ESG indicators | Health and safety; GRI indicators | Social indicators	|||||||		L	
403-10	Work-related ill health	Health and safety; Operational and ESG indicators | Health and safety; GRI indicators | Social indicators	|||||||		L	
GRI 404: Training and Education						6
404-1	Average hours of training per year per employee	GRI indicators | Social indicators	|||||||		L	
404-2	Programs for upgrading employee skills and transition assistance programs	People management | Our impetus | talent development and management; Digital transformation | Digital culture; Management approach on sustainability | Chapter 4.1 Labour practices | Employment | Benefits	|||||||		L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	REPORT	OMISSIONS / ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
404-3	Percentage of employees receiving regular performance and career development reviews	People management | Rewards and benefits	|||||||	100% of employees with at least 6 months of effective work	L	
GRI 405: Diversity and Equal Opportunity						6
405-1	Diversity of governance bodies and employees	Operational and ESG indicators | People Management; Operational and ESG indicators | Corporate Governance	|||||||	In clearance	L	
405-2	Ratio of basic salary and remuneration of women to men	Operational and ESG indicators | People Management	|||||||		L	
GRI 406: Non-discrimination						1; 6
406-1	Incidents of discrimination and corrective actions taken	Ethics Ombudsperson Annual Report	|||||||	www.edp.com EDP was not aware of such cases in 2021.	L	
GRI 407: Freedom of Association and Collective Bargaining						1; 3
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Supplier management	|||||||	0	L	
GRI 408: Child Labour						5
408-1	Operations and suppliers at significant risk for incidents of child labour	Supplier management	|||||||	0	L	
GRI 409: Forced or Compulsory Labour						4
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Supplier management	|||||||	0	L	
GRI 410: Security Practices						
410-1	Security personnel trained in human rights policies or procedures	n.a.		Non-material	L	
GRI 411: Rights of Indigenous Peoples						1; 2
411-1	Incidents of violations involving rights of indigenous peoples	Respect and advocate for Human Rights | Respect for local and indigenous communities; Human and Labour Rights report 2022	|||||||	www.edp.com	L	
GRI 413: Local Communities						1
413-1	Operations with local community engagement, impact assessments, and development programs	Voluntary investment in the community | Contribution to the SDGs	|||||||		L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	REPORT	OMISSIONS / ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
413-2	Operations with significant actual and potential negative impacts on local communities	Respect and advocate for Human Rights | Respect for local and indigenous communities	|||||||		L	
GRI 414: Supplier Social Assessment						1; 2
414-1	New suppliers that were screened using social criteria	Supplier management	|||||||	Information in clearance to be published in the Suppliers Report	L	
414-2	Negative social impacts in the supply chain and actions taken	Supplier management	|||||||	Information in clearance to be published in the Suppliers Report	L	
GRI 415: Public Policy						10
415-1	Political contributions	Communication and transparency | Representation of interests	|||||||		L	
GRI 416: Customer Health and Safety						
416-1	Assessment of the health and safety impacts of product and service categories	Sustainability Management Approach | Product responsibility	|||||||	www.edp.com	L	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	n.a.		Included in the GRI 2-27 report, however, it is not relevant	L	
GRI 417: Marketing and labelling						
417-1	Requirements for product and service information and labelling	Sustainability Management Approach | 4.4. Product responsibility	|||||||	www.edp.com	L	
417-2	Incidents of non-compliance concerning product and service information and labelling	n.a.		Included in the GRI 2-27 report, however, it is not relevant	L	
417-3	Incidents of non-compliance concerning marketing communications	n.a.		Included in the GRI 2-27 report, however, it is not relevant	L	
GRI 418: Customer Privacy						1
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Ethics and compliance | Data protection; Operational and ESG indicators | Crisis Management | Ethics and compliance	|||||||		L	
Environmental matters		GRI indicators | Economic indicators	|||||||		L	
Energy efficiency services revenues		GRI indicators | Economic indicators	|||||||		L	
G4 SECTOR SPECIFIC INDICATORS						
General standard disclosures						
EU1	Installed capacity, broken down by primary energy source and by regulatory regime	Operational and ESG indicators | Renewable Energies	|||||||		L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	REPORT	OMISSIONS / ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
EU2	Net energy output broken down by primary energy source and by regulatory regime	Operational and ESG indicators | Renewable Energies	|||||||		L	
EU3	Number of residential, industrial, institutional and commercial customer accounts	Operational and ESG indicators | Customer satisfaction	|||||||		L	
EU4	Length of above and underground transmission and distribution lines by regulatory regime.	Business area analysis | Networks	|||||||		L	
EU5	Allocation of CO ₂ e emissions allowances or equivalent, broken down by carbon trading framework	Financial statements and notes | 06. Financial Statements | 2. Accounting Policies | CO ₂ Licenses and Greenhouse Gas Emissions; 06. Financial Statements | 18. Intangible Assets; 06 Financial Statements | 25. Inventories	|||||||		L	
Economic						
G4-DMA	Availability and Reliability	Sustainability Management Approach | 2.5. Availability and Reliability	|||||||	www.edp.com	L	
EU10	Planned capacity against projected electricity demand over the long-term, broken down by energy source and regulatory regime	Operational and ESG indicators | Renewable Energies	|||||||		L	
G4-DMA	Demand-Side Management	Sustainability Management Approach | 2.6. Demand-Side management	|||||||	www.edp.com	L	
G4-DMA	Research and Development	Sustainability Management Approach | 2.7. Research and Development	|||||||	www.edp.com	L	
G4-DMA	Plant Decommissioning	Sustainability Management Approach | 2.8. Plant decommissioning	|||||||	www.edp.com	L	
EU11	Average generation efficiency of thermal plants by energy source and by regulatory regime	Operational and ESG indicators | Decarbonising the World	|||||||		L	
EU12	Transmission and distribution losses as a percentage of total energy	Operational and ESG indicators | Decarbonising the World	|||||||		L	
Environment						
G4-DMA	Materials	Sustainability Management Approach | 3.2. Materials	|||||||	www.edp.com	L	
G4-DMA	Water	Sustainability Management Approach | 3.4. Water	|||||||	www.edp.com	L	
G4-DMA	Biodiversity	Sustainability Management Approach | 3.5. Biodiversity	|||||||	www.edp.com	L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	REPORT	OMISSIONS / ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
EU13	Biodiversity of offset habitats compared to biodiversity of the affected areas	Caring for our planet| Protection of biodiversity; www.edp.com	|||||||	www.edp.com	L	7;8
G4-DMA	Effluents and Waste	Sustainability Management Approach | 3.7. Effluents and Waste	|||||||	www.edp.com	L	
Social						
G4-DMA	Employment Programs and processes to ensure the availability of a skilled workforce	Sustainability Management Approach | 4.1. Labour Practices	|||||||	www.edp.com	L	
EU15	Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region	Operational and ESG indicators | People Management	|||||||		L	
EU17	Days worked by contractor and subcontractor employees involved in construction, operation & maintenance activities	GRI indicators | Social indicators	|||||||		L	
EU18	Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	GRI indicators | Social indicators	|||||||		L	
G4-DMA	Freedom of Assoc. Collective Bargaining	Sustainability Management Approach | 4.2. Human Rights	|||||||	www.edp.com	L	
G4-DMA	Local Communities Participation of stakeholders in the decision-making process	Sustainability Management Approach | 1.2. Sustainability	|||||||	www.edp.com	L	
G4-DMA	Disaster/Emergency Planning and response Contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans	Sustainability Management Approach | 4.3. Society	|||||||	www.edp.com	L	
EU22	Number of people physically or economically displaced and compensation, broken down by type of project	n.a.	|||||||	There are no new projects or expansions that can lead to people displacement	L	1;7;8
Product responsibility						
G4-DMA	Provision of Information Practices to address language, low literacy among others to access and safely use electricity	Sustainability Management Approach | 4.4. Product responsibility	|||||||	www.edp.com	L	
EU25	Number of injuries and fatalities to the public involving company assets including legal judgments, settlements and pending legal cases of diseases	GRI indicators | Social indicators	|||||||		L	
G4-DMA	Access	Sustainability Management Approach | 4.4. Product responsibility	|||||||	www.edp.com	L	
EU26	Percentage of population unserved in licensed distribution or service areas	Sustainability Management Approach | 2.5. Availability and Reliability | 2.6. Demand-side management	|||||||	www.edp.com	L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	REPORT	OMISSIONS / ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
EU27	Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime	Operational and ESG indicators | Customer satisfaction	|||||||		L	
EU28	Power outage frequency	Operational and ESG indicators | Customer satisfaction	|||||||		L	
EU29	Average power outage duration	Operational and ESG indicators | Customer satisfaction	|||||||		L	
EU30	Average plant availability factor by energy source and by regulatory regime	Operational and ESG indicators	|||||||		L	

L – Limited verification R – Reasonable verification ||||| – Fully reported ||||| – Partially reported ||||| – Not reported

Annex 7 – Glossary

List of acronyms and abbreviations

To facilitate the exposition and without prejudice to the occasional use of the designations and expressions they substitute, the following acronyms and abbreviations are used throughout this report:

A

AdC – Portuguese Competition Authority

AEA – American Energy Action

APA – Portuguese Environment Agency

AI – Artificial Intelligence

AWEA – American Wind Energy Association

ANEEL – National Electricity Agency (Brazil)

B

BP – Business Plan

BU – Business Unit(s)

C

CAN – Business Monitoring Committee in the United States of America

CCGT – Combined-Cycle Gas Turbine

CEO – Chief Executive Officer

CfD – Contracts for Difference

CGSS – Corporate Governance and Sustainability Committee

CMEC – Costs of Maintenance of Contractual Equilibrium

CMVM – Portuguese Securities Market Commission

Controlled Companies – Companies in a controlling or group relationship with EDP under the terms of article 21 of the Securities Code

CRO – Chief Risk Officer

CVEN – Compensation Committee (from GSB)

D

DEC – Equivalent Interruption Duration per Unit

DG – Distributed Generation

E

EBD – Executive Board of Directors

EDP (or Society) – EDP – Energias de Portugal, S.A.

EDP Brasil – EDP Energias do Brasil, S.A.

EDP C – EDP Comercial

EDP ES – EDP Espanha

EDP P – EDP Produção

EDP R – EDP Renováveis, S.A.

EDPR NA – EDP Renewables North America

EIA – Environmental Impact Assessment

ELECPOR – Portuguese Association of Electric Utilities

EMS – Environmental Management System

E-Redes – former EDP Distribuição (distribution)

ESG – Environmental, Social and Governance

EU – European Union

EV – Electric Vehicle

F

FMC/AUDC – Financial Matters Committee / Audit Committee

FiT – Feed-in tariffs

FX – Foreign Exchange

G

GC – Green Certificates

GRI – Global Reporting Initiative

H

Hg – Mercury

H&S – Health & Safety

I

IEA – International Energy Agency

IEFP – Portuguese Institute of Employment and Professional Training

ILO – International Labor Organization

IT – Information Technology

IRR – Internal rate of return

J

JV – Joint Ventures

K

KPI – Key Performance Indicator

L

LatAm – Latin America

LCA – Life Cycle Assessment

LT – Long Term

M

M&A – Mergers & Acquisitions

N

NNL – No Net Loss

O

O&G – Oil and Gas

O&M – Operation and Maintenance

P

PA – People Analytics

PAC – Policy Action Committee

PEE – Energy Efficiency Program

PPA – Power Purchase Agreement

PPEC – Plan for Promoting Efficiency in Energy Consumption

PT – Portugal

PV – Photovoltaic

R

ROC – Revisor Oficial de Contas

Re:Dy – Remote Energy Dynamic

REMC – Remuneration Committee

R&D – Research and Development

S

SDG – Sustainable Development Goals

SME – Small and Medium Enterprises

T

TCFD – Task Force on Climate-related Financial Disclosures

TCRS – Competition, Regulation and Supervision Court

TIEPI – Equivalent Outage Time of the Installed Power

U

UNESA – Spanish Association for Electric Industry

UNGC – United Nations Global Compact

USA – United States of America

V

VC – Venture Capital

W

WD – World Business Council for Sustainable Development

BCSWEF – World Economic Forum

WRI – World Resources Institute

NOTE: The identification of corporate bodies, without any other mention, should be understood as referring to EDP's corporate bodies

Concepts and Definitions

A

ADJUSTED NET DEBT

Net Debt adjusted by Regulatory Receivables.

ADJUSTED NET DEBT/EBITDA

Number of times/years needed to pay the Adjusted Net Debt with the EBITDA generated by the Company.

ASSET ROTATION

Strategy aimed at crystallizing the value of a project by selling a stake in an asset and reinvesting the proceeds in another asset, targeting greater growth. Typically, the developer retains the role as an O&M supplier.

AVERAGE COST OF DEBT

Considers (Interest expense on financial debt +/- Income and Expenses with Interest from derivative financial instruments) / Average Financial Gross Debt in the period (Total debt and borrowings - Accrued Interest - Fair value of the issued debt hedged risk). Includes 50% of the interest expense and of the nominal amount of hybrid debt.

C

CAGR (Compound annual growth rate)

Annual growth rate over a specified period longer than one year

CAPEX (Capital Expenditure)

Capex includes increases in Property, Plant and Equipment and in Intangible Assets, excluding CO₂ licenses and Green certificates, net of increases in Government grants, Customer's contributions for investment and Sales of properties in the period.

CDI (INTERBANK DEPOSIT CERTIFICATE RATE)

Brazilian reference interest rate constructed from the daily average overnight interbank loans. The CDI rate is commonly used as the reference in short-term securities.

CDS (CLEAN DARK SPREAD)

Theoretical gross margin of a coal-fired power plant per unit of electricity after deducting variable production costs (fuel, emission allowances, transport charges, variable O&M, per-unit taxes, etc.).

CESE (Extraordinary Contribution to the Energy Sector)

Extraordinary contribution created in 2014, in Portugal, with the objective of financing mechanisms that promote the energy sector systemic sustainability. This contribution focuses generally on the economic operators that develop the following activities: (i) generation, transportation, or distribution of electricity; (ii) transportation, distribution, storage or wholesale supply of natural gas; and (iii) refining, treatment, storage, transportation, distribution and wholesale supply of crude oil and oil products.

CPE – Delivery point code

Points of the network where the delivery or reception of electricity is made to the customer, producer, or other installation of the network.

CLAWBACK

Mechanism of financial compensation established by the Portuguese government on electricity generators operating in Portugal. This mechanism has as its objective the restitution to the electricity system of part of the income derived from the tax differences in electricity generation between Portugal and Spain.

COD (Commercial Operation Date)

Date upon which the project starts operating officially, after the testing and commissioning period.

CONTRACTING LEVEL

Ratio that returns the percentage of market commitment of Brazilian electricity distribution companies that is properly covered by energy purchase contracts registered in CCEE. Non-compliance generates penalties provided for in the rules and procedures of commercialization. The penalties apply when the ratio is above 105% or below 95%.

D

D/E (DEBT-TO-EQUITY RATIO)

Debt-to-equity (D/E) ratio is calculated by dividing a company's total liabilities by its shareholder equity. The ratio is used to evaluate a company's financial leverage being an important metric used in corporate finance. It is a measure of the degree to which a company is financing its operations through debt versus wholly owned funds.

DEC

Equivalent interruption time of energy per consumed unit. Refers only to medium voltage.

DIVIDEND PAY-OUT RATIO

Measures the percentage of a company's net income that is given to shareholders in the form of dividends (Total Dividends per Share of period "n" / Earnings per Share of period "n-1").

DIVIDEND YIELD

Considers the ratio between gross dividend per share and its share price.

DPS (DIVIDEND PER SHARE)

Dividend per share (DPS) is the sum of declared dividends issued by a company for every ordinary outstanding share. DPS is calculated by dividing the total dividends paid out by a business, including interim dividends, over a period of time by the number of outstanding ordinary shares issued.

E

EBIT

Earnings before Interest and Tax: EBITDA deducted from provisions, amortizations and impairments.

EBITDA

Earnings before Interest, Tax, Depreciations and Amortizations: Gross Profit - Supplies and services - Personnel costs and employee benefits +/- Other income/expenses.

EBITDA@risk

Estimated loss of EBITDA, in a given period of time and for a given confidence interval. Usually it is used an horizon of 12 months and a level of confidence of 95%.

EOLICITY

Indicator that allows to quantify the deviation of the total value of energy produced by wind in a given period, in relation to an average wind regime.

ENERGY BOX

Energy Box is a household energy manager that does much more than metering energy, being endowed with technology that supports the supply of electricity services, namely, in remote communications.

EPS (Earnings per share)

The portion of a company's net profit allocated to each outstanding share of common stock.

F

FEC

Equivalent interruption frequency of energy per consumed unit. Refers only to medium voltage.

FEED IN TARIFFS

Remuneration framework that guarantees that a company will receive a set price, applied to all the electricity they generate and provide to the grid.

FFO

Funds from Operations: EBITDA – Interest on debt and on TEI liabilities – Current taxes +/- Income from equity investments +/- other residual adjustments resulting from accruals/deferrals.

FFO/NET DEBT

Funds from Operations (FFO) over Net Debt. For this purpose, Net Debt includes Nominal Debt of the company + Pension and Medical care liabilities post tax + Tax Equity financial liabilities + Present value of leasing and other financial commitments.

FOREX

Foreign Exchange (forex or FX) is the trading of one currency for another. For example, one can swap the U.S. dollar for the euro. Foreign exchange transactions can take place on the foreign exchange market, also known as the Forex Market.

G**GC (GREEN CERTIFICATE)**

Tradable commodity resulting from electricity generated using renewable energy sources.

GHG (GREENHOUSE GASES)

Gases that trap the heat of the sun in the Earth's atmosphere, producing the greenhouse effect. The two major greenhouse gases are water vapor and carbon dioxide. Lesser greenhouse gases include methane, ozone, chlorofluorocarbons, and nitrogen oxides.

GROSS PROFIT

Includes Revenues from energy sales and services and other minus Cost of energy sales and other.

GSF (Generation Scaling Factor)

Ratio of the deficit of hydroelectric companies' actual generation volumes to their assured energy delivery.

GW (Gigawatt)

Unit of electric power equal to 1,000 MW.

GWh

Equal to 1,000 MW used continuously for one hour.

H**HEDGING**

Risk management strategy used in limiting or offsetting probability of loss from fluctuations in the prices of commodities, currencies, indexes, or securities.

HYDRO COEFFICIENT

Indicator that allows to quantify the deviation of the total value of hydroelectric energy produced in a given period, in relation to an average hydro regime. Values above "1" translate a period with inflows and energy generated above the average ("wet" period) and below "1" the reverse ("dry" period).

I**ICEIT (Installed capacity equivalent interruption time)**

Indicator that represents the equivalent interruption time of installed power per geographical area of the operator of the distribution network in a given period, excluding extraordinary

events (the extraordinary weather events that exceed the conditions for which was dimensioned).

IGP-M (GENERAL MARKET PRICE INDEX)

Index used to comprehensively measure the fluctuation of prices of goods and services practiced in the Brazilian market. Calculated by FGV (Getúlio Vargas Foundation), this index is used to update the prices of some goods and services, namely electricity.

INSTALLED CAPACITY

Installed Capacity is the sum of capacity (MW) installed in power plants owned by companies fully consolidated.

INSTALLED CAPACITY EQUITY

Installed Capacity Equity also includes the respective share of the MW installed in power plants owned by company's equity consolidated.

IPCA (EXTENDED NATIONAL CONSUMER PRICE INDEX)

Is the name given to the Consumer Price Index in Brazil being a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care.

ITC (Investment tax credit)

Tax incentive in the US in the form of a one-shot tax credit that covers a percentage of the investment.

K

KRI (KEY RISK INDICATOR)

Risk indicator that follows a variable risk factor, allowing the early warning of changes in risk exposure and the identification of potential risks or opportunities.

L

LIQUIDITY

Total amount of Cash and Equivalents, Credit Lines available and Financial assets at fair value through profit or loss.

LOSSES

The total losses of electric energy are calculated by the differential between the energy entered in the electrical network and the distributed energy (% Global losses = (Energy Input - Distributed Energy) / Distributed Energy). They consist of technical losses related to the magnetization of the power transformers, the Joule effect, the consumption of meters, etc. and non-technical losses related to theft, fraud, anomalies in counting equipment or in systems

M

MW (Megawatt)

Unit of electric power equal to 10⁶ watts.

MWh

Equal to 10⁶ watts of electricity used continuously for one hour.

N

NCF (NET CAPACITY FACTOR)

The ratio of a plant's actual output over a period of time to its potential output if it were possible for it to operate at full nameplate capacity continuously, over the same period of time. Also known as Load Factor.

NET DEBT

A metric that shows a company's overall debt situation calculated using company's total debt less cash on hand. From 2017 onwards it includes Financial Debt, Cash and Equivalents,

Short-term financial assets at fair-value and fair value hedge and collateral deposits associated to financial debt and 50% of the amount related with the issuance of a subordinated debt instrument (hybrid). Until 31 December 2016, it included the fair value of derivatives designated for Net Investments hedge.

NET INVESTMENTS

Considers Capex + organic Financial Investments - Asset Rotations + granted and/or sold shareholder loans.

O

OPEX (Operating Expenditure)

Includes Supplies and Services and Personnel costs and Employee Benefits.

OPEX/GROSS PROFIT

Efficiency ratio that compares the cost to operate with the income generated computed by OPEX (excluding Restructuring costs) over Gross Profit (including income from institutional partnerships in EDPR-NA).

ORGANIC CASH-FLOW

Cash generated from organic activities. Includes cash flows from operating activities (excluding changes in Regulatory Receivables), net of maintenance CAPEX, interest payments associated with debt, payments to institutional partnerships in the US and payments to minorities (such as dividends, capital distributions and payments of capital/interests on shareholder loans), not excluding gains arising from Sell-Down.

P

PLD (SETTLEMENT PRICE FOR THE DIFFERENCES) Preço de Liquidação das Diferenças

Price used to value the energy exchanged in the spot market. This price is calculated weekly for each submarket and load periods, based on the marginal cost of generation. It is limited by a minimum and maximum value.

PPA (Power purchase agreement)

A legal contract between an electricity generator (provider) and a power purchaser (host). The power purchaser buys energy, and sometimes also capacity and/or ancillary services, from the electricity generator.

PTC (Production tax credit)

The result of the Energy Policy Act of 1992, a commercial tax credit in the US that applies to wholesale electrical generators of wind energy facilities based upon the amount of energy generated in a year.

PUMPING

Pumping activity is the act of pushing back to the dam reservoir the water that had already been turbinated before. This action intends to increase the hydro output and thus generate higher operational results as water is pushed back when electricity market prices are low and turbinated again when those prices reach higher levels.

R

RAB (REGULATORY ASSET BASE)

Corresponds to the net book value of the distribution companies' regulated fixed assets (gross value less accumulated depreciation, net of reimbursements).

RECURRING

Which occurs periodically or repeatedly. It aims to normalize indicators into more predictable ones, and which can be counted on in the future with a high degree of certainty. Indicators such as EBITDA, Net Profit, FFO, Organic Cash-Flow are referred to as recurring when adjusted by one-off events. One-off events include non-recurrent amounts materially relevant resulting from, for instance, impairments and capital gains/losses on assets, retroactive regulatory changes, HR and debt restructuring costs and CESE.

REGULATORY RECEIVABLES

Amounts pending to be received from the electricity system and related with tariff adjustments and tariff deficits from regulated activities in Iberia and Brazil (Generation in Portugal and Spain, Distribution and Last Resort Supply of electricity in Portugal and Distribution in Brazil).

RENEWABLE ENERGY

Energy that is derived from resources that are regenerative or that cannot be depleted including wind energy, solar, biomass, geothermal, and moving water.

REC (Renewable energy credit)

Represents the property rights to the environmental, social, and other non-power qualities of renewable electricity generation. A REC can be sold separately from the electricity associated with a renewable energy generation source.

RESERVOIR LEVEL

Volume of water stored in a dam reservoir measured in total amount of electrical power it can produce if turbinated (GWh).

RESIDUAL INCOME

The amount of net income generated in excess of the minimum rate of return. Residual income concepts have been used in a number of contexts, including as a measurement of internal corporate performance whereby a company's management team evaluates the return generated relative to the company's minimum required return.

ROE (Return on Equity)

Earnings before non-controlling interests over average total equity of the period.

ROIC (Return on Invested Capital)

ROIC gives a sense of how a company uses its money to generate returns. $ROIC = \frac{EBIT \text{ Adjusted}}{\text{annual average Invested Capital}}$. EBIT Adjusted is EBIT + share of net profit in

joint ventures and associates + impairments + provisions +/- capital losses/gains (except related to sell downs) + HR restructuring costs – Price Purchase Allocation amortizations – other one-off events. Invested Capital includes net fixed assets – assets under construction + working capital.

ROIC Cash (Cash Return on Invested Capital)

Similar to ROIC but focuses on cash return rather than profit. EBIT adjusted is EBIT – (nominal tax rate x EBIT) + share of net profit in joint ventures and associates. Invested Capital as in ROIC.

ROR (RATE OF RETURN)

Corresponds to the rate to be applied to the distribution companies' RAB accepted for capital remuneration purposes, with the respective formula defined by the Regulator at the beginning of each regulatory period.

RPS (Renewable Portfolio Standard)

Regulation in the US that places an obligation in certain states on electricity supply companies to source a specific percentage of their energy from renewable sources.

S

SAIDI (System Average Interruption Duration Index)

The average outage duration for each served customer.

SELL-DOWN

Strategy aimed at developing and selling a majority stake in an asset, crystallizing the value of a project, and reinvesting the proceeds in another asset, targeting greater growth. Typically, the developer may retain the role of O&M supplier.

SOLAR PV (photovoltaic)

Generation of electricity by means of solar power through photovoltaics, consisting in an arrangement of several components, including solar panels to absorb and convert sunlight into electricity, a solar inverter, cables and other electrical accessories.

SOLAR DG

A system that generates and stores electricity through small distribution networks.

SUPPLY POINTS

Points of the grid where the delivering or reception of electricity is made to the customer, producer, or other grid installation.

SUSTAINABILITY INDEX

The Sustainability Index (SI) is a measurement system of sustainability performance, composed by 33 indicators organized in 3 dimensions: Economic, Environmental and Social. The weights assigned to each dimension of the sustainable development reflect the importance given by RobecoSAM (investment specialist focused exclusively on Sustainability Investing).

T**TEI (Tax Equity Investors)**

Tax Equity Investors are the agents that are willing to trade on PTC.

TSR (Total Shareholder Return)

Measures the return that the stock provides to the shareholder, including dividends paid and the stock price appreciation.

Annex 8 – Certifications e Declarations



EDP – Energias de Portugal, S.A.
Executive Board of Directors

STATEMENT

With reference to 2022 financial year, and according to No. 1, item c) of article 29-G of the Portuguese Securities Code, the signers hereby, acting as members of the Executive Board of Directors, declare that, to the best of their knowledge, the information foreseen in No. 1 item a) of the article mentioned above, was prepared according to the applicable accounting standards, presenting a fair view of the assets, liabilities, financial situation and results of EDP – Energias de Portugal, S.A. (“EDP”), and the subsidiaries included in the respective consolidation perimeter, and that the Management Financial Analysis Report clearly discloses the evolution of the business, the performance and position of EDP, and the subsidiaries included in the respective consolidation perimeter, enclosing a description of the major risks and uncertainties to which they are exposed.

Lisbon, March 1, 2023

Miguel Stilwell de Andrade, CEO

Miguel Nuno Simões Nunes Ferreira Setas

Rui Manuel Rodrigues Lopes Teixeira

Vera de Moraes Pinto Pereira Carneiro

Ana Paula Garrido de Pina Marques



EDP – Energias de Portugal, S.A.
Felix Arribas Arias
Senior Accounting Officer - Corporate Centre

STATEMENT

With reference to 2022 financial year, and according to nº 1, item c) of article 29-G of the Portuguese Securities Code, I hereby declare that, to the best of my knowledge, the information foreseen in No. 1 item a) of article mentioned above, was prepared according to the applicable accounting standards, presenting a fair view of the assets, liabilities, financial situation and results of EDP – Energias de Portugal, S.A. (“EDP”), and the subsidiaries included in the respective consolidation perimeter, and that the Management Financial Analysis Report clearly discloses the evolution of the business, the performance and position of EDP, and the subsidiaries included in the respective consolidation perimeter, enclosing a description of the major risks and uncertainties to which they are exposed.

Lisbon, March 1, 2023

A handwritten signature in blue ink, appearing to be 'Felix Arribas Arias', written over a faint, large, stylized blue outline that resembles a signature or a large letter 'A'.

AENOR

Confía



Compliance Management System Certificate



2022/0001

AENOR certifies that the organization

EDP ENERGIAS DE PORTUGAL, S.A.

has a Compliance Management System according to ISO 37301:2021

Promotion and management, directly or indirectly, of companies and activities in the field of the energy sector, both nationally and

which is/are carried out in: AVENIDA 24 DE JULHO, 12. 1249



Génova, 6. 28004 Madrid. España

Rafael GARCÍA MEIRO
Chief Executive Officer

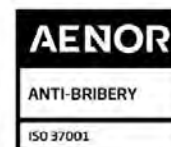


AENOR

Confía



Anti bribery Management System Certificate



2022/0010

AENOR certifies that the organization

EDP ENERGIAS DE PORTUGAL, S.A.

has a Management System according to ISO 37001:2016 bribery management systems, Requirements with guidance for use"

Promotion and management, directly or indirectly, of companies and activities in the field of the energy sector, both nationally and

which is/are carried out in: AVENIDA 24 DE JULHO, 12. 1249



Génova, 6. 28004 Madrid. España



Accreditación N° SAE CSGAS 19-001
CERTIFICACIÓN DE SISTEMAS DE
GESTIÓN ANTISOBORNO

Rafael GARCÍA MEIRO
Chief Executive Officer





Statutory Audit Report and Auditors' Report

(Free translation from the original in Portuguese. In the event of discrepancies, the Portuguese language version prevails)

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of EDP – Energias de Portugal, S.A. (the Group), which comprise the consolidated statements of financial position as at December 31, 2022 (which shows total assets of Euro 58,816,411 thousand and total equity of Euro 13,834,608 thousand including a consolidated net profit attributable to equity holders of EDP of Euro 679,001 thousand), the consolidated income statements, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of EDP – Energias de Portugal, S.A. as at December 31, 2022, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. In accordance with the law we are independent of the entities that are included in the Group and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Summary of the Audit Approach
Estimated energy sales <i>Disclosures related to sales of energy (electricity and gas) presented in notes 2, 4, 7 and 26 of the consolidated financial statements.</i> Revenue recognition of energy sales occurs at the time of delivery and incorporates three distinct aspects: (i) sales of energy billed based on actual consumption; (ii) sales of energy billed based on estimated consumption based on each customer's history; and (iii) estimate of energy supplied and not billed. The Group calculates the estimated volumes using an algorithm in line with the criteria defined by the regulatory entity. The algorithm is based on the average daily consumption of each customer, weighted by historical consumption profiles and adjusted for climatic factors and estimated energy losses. The Group tests the algorithm using a telecounted sample of consumptions, also validating the estimate by comparison to the energy balance sheet, whose data relies in the energy entered in the network as communicated by the network operator. A "rollback" analysis of real consumption is also carried out retrospectively. A "rollback" analysis of real consumption is also carried out retrospectively. The valuation of the estimated quantities is carried out based on the historical average prices according to the tariff, type of customer, contracted power, among other factors. Given the high complexity of the methodology used by the Group to estimate the energy consumed by its customers and the degree of judgment involved, in particular in relation to volumes consumed and associated average prices, this issue was considered to be a relevant matter for the purposes of our audit.	Our audit procedures included, among others, identifying and testing the design, implementation and effectiveness of key controls related to the recognition of revenue associated with energy sales, and those related to estimated sales at the end of each period. The algorithm including the estimated volumes was obtained having been verified, on a sample basis for each type of customer and tariff, that the criteria defined by the regulator were being met and that the adjustments made were reasonable. Regarding the average prices used to value the estimated volumes for each type of customer, a sample of historical data was also verified. The energy balance sheet was also obtained and the differences between the energy inputs to the network and the energy billed and estimated by the Group were evaluated. In order to complement the procedures described above, we also tested the reasonableness of the estimation of unbilled consumed energy on previous years' considering the billing records of the year. We have also reviewed the related disclosures presented in the consolidated financial statements.

Key Audit Matter	Summary of the Audit Approach
Transactions of equity stakes	
<p><i>Disclosures related to transactions of equity stakes presented in notes 2, 4, 6, 8, 13, 21, 27, 33, 39, 41 and 49 of the consolidated financial statements.</i></p> <p>As a result of its activity and as part of its strategy, the Group proceeds to the disposal of equity stakes in controlled entities with the main objective of reinvesting the funds obtained in new projects. It also acquires equity stakes and other rights in entities considered relevant to its business portfolio and of value creation to the shareholders.</p> <p>Disposals may or may not result in a loss of control and acquisitions may or may not result in a gain in control, depending on the percentage of capital sold or acquired, shareholder agreements in place and effective control exercised.</p> <p>Given the amounts involved and the level of judgment involved in assessing the loss or gain of control, measuring contingent clauses resulting from the transactions, determining the acquisition value and allocating the acquisition price to identified assets / liabilities, this issue was considered to be a relevant matter for the purposes of our audit.</p>	<p>Our audit procedures included, among others, identifying and testing the design, implementation and effectiveness of key controls related to acquisitions and disposals of equity stakes, holding meetings with the management of the geographies where the transactions took place, in order to obtain an adequate understanding of each of the relevant transactions, as well as the respective supporting documentation.</p> <p>Purchase and sale agreements, shareholder agreements and other associated documentation were analyzed in detail. The accounting treatment given to each of the operations was assessed based on the applicable accounting standards and the mathematical accuracy of the calculations that originate the records was tested.</p> <p>Regarding disposals of equity stakes, the ownership of control and the valuation of contingent clauses, where applicable, were specifically analyzed and evaluated. In relation to the acquisition of equity stakes, control ownership was also evaluated, as well as the allocation of the purchase price to the fair value of identifiable assets and liabilities.</p> <p>We have also reviewed the related disclosures of the significant transactions presented in the consolidated financial statements.</p>
Recoverability of non current assets	
<p><i>Disclosures related to the non current assets in question presented in notes 2, 4, 12, 16, 17, 18, 19, and 21 of the consolidated financial statements.</i></p> <p>As of 31 December 2022, goodwill, tangible fixed assets, intangible assets, right-of-use assets and investments in joint ventures and associates presented in EDP's consolidated financial statements amounted to Euro</p>	<p>Our audit procedures included, among others, identifying and testing the design, implementation and effectiveness of key controls related to impairment of non current assets, evaluating the adequacy of the impairment models used by the Group and testing the mathematical accuracy of the calculations.</p> <p>We have assessed the reasonableness of the definition of cash-generating units subject to</p>

Key Audit Matter	Summary of the Audit Approach
<p>3,469,228 thousand, Euro 24,216,807 thousand, Euro 4,984,002 thousand, Euro 1,320,270 thousand and Euro 1,605,743 thousand, respectively.</p> <p>In accordance with International Accounting Standard (IAS) 36, and as disclosed in the notes to the consolidated financial statements, the Group performs impairment tests on tangible and intangible assets, right-of-use assets and joint-ventures and associates whenever there are facts or circumstances that may indicate that the net book value may not be recoverable, except when allocated to cash generating units with allocated goodwill, in which case they are tested for impairment together with the associated goodwill on an annual basis or whenever there is evidence of impairment.</p> <p>Given the dispersion of the Group's operating activity across the world, these impairment tests are carried out for the cash-generating units identified in each of the geographies where EDP Group operates.</p> <p>The recoverable amount of each of the non-current assets tested for impairment, namely tangible fixed assets used in the production and distribution of electricity, intangible assets related to concession rights and goodwill and financial investments in joint ventures and associates, is determined based on discounted cash flow models, which imply a high level of judgment given the uncertainty of the underlying data, namely the economic and market projections and assumptions used relating to discount rates, exchange rates, growth rates and inflation rates, country risk, commodity prices, among others.</p> <p>Given the amounts involved, the complexity of the valuation models and the associated high level of judgment, this issue was considered to be a relevant matter for the purposes of our audit.</p>	<p>impairment tests and performed the reconciliation of future cash flows with the business plans approved by the management of each company and in all the geographies where the Group has assets subject to impairment tests.</p> <p>We also challenged the management regarding the appropriateness of the assumptions with the greatest sensitivity in determining the value in use, namely electricity price pools, prices of other commodities, regulatory frameworks and the respective impact on the cash flows of each geography and the discount rate. The analysis of the discount rate was carried out for each of the geographies, using peer information and other information available in the market. Sensitivity analysis were also carried out on the main assumptions in order to determine the level of variations that, individually or together, could lead to impairment losses on assets tested for impairment.</p> <p>The procedures described above, aimed at evaluating the assumptions and the methodology associated with the impairment models used by the Group, were carried out with the support of our team of experts.</p> <p>We have also reviewed the related disclosures presented in the consolidated financial statements.</p>

Key Audit Matter	Summary of the Audit Approach
Derivative financial instruments	
<p><i>Disclosures related to derivative financial instruments presented in notes 2, 4, 7, 13, 27, 32, 39, 42 and 45 of the consolidated financial statements.</i></p> <p>As mentioned in the consolidated financial statements, the exposure of EDP Group to financial risks lies essentially in its debt portfolio and in the commodity price volatility, resulting in interest rate, exchange rate and market price risks.</p> <p>Risk management of EDP Group is carried out centrally at EDP S.A., which uses a set of derivative financial instruments to cover these risks.</p> <p>As of 31 December 2022, the statement of financial position included assets and liabilities related to derivative financial instruments, amounting to Euro 2,575,698 thousand and Euro 5,753,706 thousand, respectively.</p> <p>The valuation of financial instruments classified as level 2, particularly derivative financial instruments, is carried using observable market data and valuation models based on discounted cash flow techniques, which usually involve a high degree of judgment by the Management in defining the assumptions to be used. Therefore, changes in these assumptions may give rise to material impacts in the the fair value of the mentioned financial instruments.</p> <p>Additionally, in accordance with IFRS 9, the Group prepares effectiveness tests on its hedging derivative financial instruments portfolio on an annual basis, in order to assess the accounting effectiveness of the hedges, which also involves the assumption of significant judgments and estimates.</p> <p>Given the relevance of the derivative financial instruments in the context of the Group's consolidated financial statements, together with</p>	<p>Our audit procedures included identifying and testing the design, implementation and effectiveness of the controls related to contracting, monitoring and settling derivative financial instruments, to their classification, and to the preparation of supporting documentation and effectiveness tests, when applicable. In this context, controls tested included access policies, system management, approvals, confirmations with financial institutions and reconciliations with counterparties.</p> <p>Regarding the computation of the fair value of derivative financial instruments, in particular the models developed by the Group for this purpose, we evaluated their suitability and the suitability of the assumptions and data used by comparing observable data with information collected from external and independent sources, and analyzed the contractual information. External confirmations of counterparties were also performed in order to validate open positions as of the date of the statement of financial position.</p> <p>The documentation prepared by the Group regarding the hedge accounting was evaluated and compliance with the requirements of IFRS 9 was verified.</p> <p>The adequacy of the accounting entries for each of the analyzed situations as well as the adequacy of the own use exemption provided in IFRS 9 for the use of commodities in the operational activity and related impacts on the consumption calculation were also verified.</p> <p>We have also reviewed the related disclosures presented in the consolidated financial statements.</p>

Key Audit Matter	Summary of the Audit Approach
<p>the degree of judgment associated with its valuation and the complexity associated with its accounting treatment, this issue was considered to be a relevant matter for the purposes of our audit.</p>	
Regulatory and legal framework	
<p><i>Disclosures related to the regulatory and legal framework presented in notes 2, 4, 7, 11, 15, 26, 36, 38 and 50 of the consolidated financial statements.</i></p> <p>Given its geographic dispersion, the activity of the Group is subject to several regulatory and legal frameworks, which vary in accordance to the country and the activity performed.</p> <p>In this context, and particularly in Portugal, there has been an increase in the regulatory complexity associated with the activities in which the Group operates, which has given rise to several disputes and potential contingencies, namely related to the CMEC final adjustment, innovative aspects, costs with clawback, social tariff and CESE and other dispatches and published orders related to regulatory matters. These situations require the management to assess its potential impacts and to exercise, with the support of its legal counsels, a high degree of judgment as to its outcome, which may lead to additional provisions and to disclose additional information to the market, following the requirements of IAS 37 - Provisions, Contingent Liabilities and Contingent Assets.</p> <p>Given the increasing complexity of the regulatory and legal frameworks and the degree of judgment involved in assessing the outcome of the identified contingencies, this issue was considered to be a relevant matter for the purposes of our audit.</p>	<p>Our audit procedures included identifying and testing the design, implementation and effectiveness of controls related to identifying and monitoring litigation and other regulatory and legal contingencies and to the categorization of risk.</p> <p>Several meetings were held with those in charge of the Regulatory and Legal Departments in order to obtain their understanding of the most relevant disagreements, litigations and contingencies and to inspect the relevant documentation. The assumptions used by the management to categorize the risks and measure the related contingencies.</p> <p>External confirmations from legal advisors and attorneys that are advising on regulatory and legal processes were also obtained, and the consistency of the information received with the risk assessment performed by the management was verified.</p> <p>We have also reviewed the related disclosures presented in the consolidated financial statements.</p>

Key Audit Matter	Summary of the Audit Approach
<p>Pensions and post employment benefits</p> <p><i>Disclosures related to pensions and post employment benefits presented in notes 2, 4, 10, 27, 32 and 35 of the consolidated financial statements.</i></p> <p>As of 31 December 2022, net liabilities with pensions and post-employment benefits presented in the consolidated financial statements of EDP Group amounted to Euro 771,066 thousand (current and non-current), mainly comprising benefits with retirement and early retirement pensions, and healthcare services.</p> <p>These liabilities are estimated for each plan based on actuarial valuations performed annually by an independent expert in accordance with the Projected Credit Unit Method. These valuations incorporate a set of financial and actuarial assumptions, namely the discount rate, the inflation rate, the mortality and disability tables, the growth rates of pensions and salaries, amongst others, defined by the Executive Board of Directors considering the characteristics of the benefits attributed, the employees covered and the current and expected behaviour of these variables</p> <p>In the specific case of the discount rate used in the actuarial studies, it is determined on the basis of the market rates for high-quality corporate bonds in terms of credit risk, denominated in the currency in which the benefits will be paid and with a maturity similar to the termination date of the payment of the benefits of the plan.</p> <p>Given the complexity, uncertainty and judgement involved when determining the actuarial and financial assumptions, this issue was considered to be a relevant matter for the purposes of our audit.</p>	<p>Our audit procedures included identifying and testing the design, implementation and effectiveness of the controls implemented by the Group related to the computation of liabilities with pension and post employment benefits, in particular the ones related to the assumptions used and to data sent to the actuary.</p> <p>Meetings were held with the management to identify the methodologies and options considered in defining the main financial and actuarial assumptions, for which a reasonableness analysis was performed by comparing them with the data that we were able to independently obtain.</p> <p>We also reviewed the adequacy of (i) the employee information, used for the calculation of liabilities; and (ii) the recognition of costs related to past services and actuarial deviations resulting from changes in assumptions and gains in experience. The fair value of the assets of the fund was independently validated by our internal experts.</p> <p>We have also read the actuarial report prepared with reference to 31 December 2022 and evaluated the main assumptions used, namely discount rate, inflation rate, growth rates of pensions and salaries and mortality and disability tables, using information developed internally and market benchmarks.</p> <p>We evaluated the technical skills of the actuary and verified its registration with ASF (Autoridade de Supervisão de Seguros e Fundos de Pensões), having also confirmed the actuary's independence regarding the report as of 31 December 2022.</p> <p>We have also reviewed the related disclosures presented in the consolidated financial statements.</p>

Responsibilities of management and supervisory board for the consolidated financial statements

Management is responsible for:

- a) the preparation of the consolidated financial statements, which present fairly the consolidated financial position, the consolidated financial performance and cash flows of the Group in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union;
- b) the preparation of the consolidated Directors' report, the corporate governance report, the non-financial statement and the remunerations report in accordance with the applicable law and regulations;
- c) the creation and maintenance of an appropriate system of internal control to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;
- d) the adoption of appropriate accounting policies and criteria; and
- e) the assessment of the Group's ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Group's ability to continue its activities.

The supervisory board is responsible for overseeing the process of preparation and disclosure of the Group's financial information.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- a) identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- e) evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion;
- g) communicate with those charged with governance, including the supervisory board, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- h) of the matters we have communicated to those charged with governance, including the supervisory board, we determine which one's were the most important in the audit of the consolidated financial statements of the current year, these being the key audit matters. We describe these matters in our report, except when the law or regulation prohibits their public disclosure; and
- i) confirm to the supervisory board that we comply with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Our responsibility also includes verifying that the information included in the consolidated Directors' report is consistent with the consolidated financial statements and the verification set forth in paragraphs 4 and 5 of article No. 451 of the Portuguese Company Law on corporate governance matters, and verifying that the consolidated non-financial statement and the remunerations report were presented.

Report on other legal and regulatory requirements

Consolidated Directors' report

In compliance with paragraph 3 e) of article No. 451 of the Portuguese Company Law, it is our opinion that the consolidated Directors' report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the consolidated Directors' report is consistent with the audited consolidated financial statements and, taking into account the knowledge and assessment about the Group, no material misstatements were identified.

Corporate governance report

In compliance with paragraph 4 of article No. 451 of the Portuguese Company Law, it is our understanding that the corporate governance report includes the information required under article No. 29-H of the Portuguese Securities Market Code, that no material misstatements were identified in the information disclosed in this report and that it complies with paragraphs 1 c), d), f), h), i) and l) of that article.

European Single Electronic Format (ESEF)

The Entity's consolidated financial statements for the year ended on December 31, 2022 must comply with the applicable requirements established in Commission Delegated Regulation (EU) 2019/815, of December 17, 2018 (ESEF Regulation).

The management is responsible for the preparation and disclosure of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements included in the annual report are presented in accordance with the requirements of the ESEF Regulation.

Our procedures took into account the OROC Technical Application Guide on ESEF reporting and included, among others:

- a) obtaining an understanding of the financial reporting process, including the annual report presentation in valid XHTML format; and
- b) the identification and assessment of the risks of material misstatement associated with the tagging of information in the consolidated financial statements, in XBRL format using iXBRL technology. This assessment was based on an understanding of the process implemented by the entity to tag the information.

In our opinion, the consolidated financial statements included in the annual report are presented, in all material respects, in accordance with the requirements of the ESEF Regulation.

Consolidated non-financial statement

In compliance with paragraph 6 of article No. 451 of the Portuguese Company Law, we hereby inform that the Group included in its consolidated Directors' report the consolidated non-financial statement set forth in article No. 508-G of the Portuguese Company Law.

Remuneration's report

In compliance with paragraph 6 of article No. 26-G of the Portuguese Securities Market Code, we hereby inform that the Entity included in a separate section, in its consolidated director's report, the information set forth in paragraph 2 of that article.

Additional information required in article No. 10 of the Regulation (EU) 537/2014

In accordance with article No. 10 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014, and in addition to the key audit matters referred to above, we also provide the following information:

- a) We were first appointed auditors of EDP – Energias de Portugal, S.A. in the Shareholders' General Meeting of April 5, 2018 for the period from 2018 to 2020, having remained in functions until the current period. Our last appointment was in the Shareholders' General Meeting of April 14, 2021 for the period from 2021 to 2023.
- b) The management has confirmed to us it has no knowledge of any allegation of fraud or suspicions of fraud with material effect in the financial statements. We have maintained professional scepticism throughout the audit and determined overall responses to address the risk of material misstatement due to fraud in the consolidated financial statements. Based on the work performed, we have not identified any material misstatement in the consolidated financial statements due to fraud.
- c) We confirm that our audit opinion is consistent with the additional report that was prepared by us and issued to the Group's supervisory board as of March 1, 2023.
- d) We declare that we did not provide any prohibited non-audit services referred to in paragraph 1 of article No. 5 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014 and that we remain independent of the Group in conducting our audit.

March 1, 2023

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

Signed on the original

João Rui Fernandes Ramos, ROC no. 1333
Registered with the Portuguese Securities Market Commission under no. 20160943



Statutory Audit Report and Auditors' Report

(Free translation from the original in Portuguese. In the event of discrepancies, the Portuguese language version prevails)

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of EDP – Energias de Portugal, S.A. (the Entity), which comprise the company statements of financial position as at December 31, 2022 (which shows total assets of Euro 29,922,362 thousand and total shareholders' equity of Euro 8,283,319 thousand including a net profit for the period of Euro 848,565 thousand), the company income statements, the company statements of comprehensive income, the company statements of changes in equity and the company statements of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of EDP – Energias de Portugal, S.A. as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the financial statements" section below. In accordance with the law we are independent of the Entity and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Summary of the Audit Approach
Recoverability of investments in subsidiaries	
<p><i>Disclosures related to investments in subsidiaries presented in notes 2, 4, 13, 20 and 44 of the financial statements.</i></p> <p>As of 31 December 2022, investments in subsidiaries presented in EDP's financial statements amounted to Euro 15,427,399 thousand.</p> <p>As disclosed in the notes to the financial statements, in the context of the impairment tests carried out at EDP Group level, financial investments held by EDP, S.A. in subsidiaries are reviewed for impairment based on the higher of the value in use and the fair value less costs to sell.</p> <p>The value in use of each of the investments tested for impairment is determined based on discounted cash flow models, which imply a high level of judgment given the uncertainty of the underlying data, namely the economic and market projections and assumptions used relating to discount rates, exchange rates, growth rates and inflation rates, country risk, commodity prices, regulatory framework, among others.</p> <p>Given the amounts involved, the complexity of the valuation models and the associated high level of judgment, this issue was considered to be a relevant matter for the purposes of our audit.</p>	<p>Our audit procedures included, among others, identifying and testing the design, implementation and effectiveness of key controls related to impairment of investments in subsidiaries, evaluating the adequacy of the impairment models used by the Group and testing the mathematical accuracy of the calculations.</p> <p>We reconciled the future cash flows with the business plans approved by the management of each subsidiary subject to impairment tests.</p> <p>We challenged the management regarding the appropriateness of the assumptions with the greatest sensitivity in determining the value in use, namely electricity price pools, prices of other commodities, regulatory frameworks and the respective impact on the cash flows of each geography and the discount rate. An analysis of the discount rate was carried out in each of the geographies, using peer information and other information available in the market. Sensitivity analysis were also carried out on the main assumptions in order to determine the level of variations that, individually or together, could lead to impairment losses on investments in subsidiaries tested for impairment.</p> <p>The procedures described above, aimed at evaluating the assumptions and the methodology associated with the Impairment models used by the Group, were carried out with the support of our team of experts.</p> <p>We have also reviewed the related disclosures presented in the financial statements.</p>
Derivative financial instruments	
<p><i>Disclosures related to derivative financial instruments presented in notes 2, 4, 7, 13, 27, 32, 39, 42 and 45 of the consolidated financial statements.</i></p>	<p>Our audit procedures included the identification and testing of the design, implementation and effectiveness of the controls related to</p>

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 Matriculada na CRC sob o NIPC 506 826 752, Capital Social Euros 314.000
 Inscrição na lista das Sociedades de Revisores Oficiais de Contas sob o nº 163 e na CMVM sob o nº 20161465

PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda. pertence à rede de entidades que integram a PricewaterhouseCoopers Global Limited e suas filiais ligadas, a nível mundial, sob o nome PricewaterhouseCoopers e associadas.

Key Audit Matter	Summary of the Audit Approach
<p>As mentioned in the financial statements, the exposure of EDP Group to financial risks lies essentially in its debt portfolio and in the commodity price volatility, resulting in interest rate, exchange rate and market price risks.</p> <p>Risk management of EDP Group is carried out centrally at EDP S.A., which uses a set of derivative financial instruments to cover these risks.</p> <p>As of 31 December 2022, the statement of financial position included assets and liabilities related to derivative financial instruments, amounting to Euro 4,040,588 thousand and Euro 5,205,632 thousand, respectively.</p> <p>The valuation of financial instruments classified as level 2, particularly derivative financial instruments, is carried using observable market data and valuation models based on discounted cash flow techniques, which usually involve a high degree of judgment by the Management in defining the assumptions to be used. Therefore, changes in these assumptions may give rise to material impacts in the fair value of the mentioned financial instruments.</p> <p>Additionally, in accordance with IFRS 9, the Group prepares effectiveness tests on its hedging derivative financial instruments portfolio on an annual basis, in order to assess the accounting effectiveness of the hedges, which also involves the assumption of significant judgments and estimates.</p> <p>Given the relevance of the derivative financial instruments in the context of EDP's financial statements, together with the degree of judgment associated with its valuation and the complexity associated with its accounting treatment, this issue was considered to be a relevant matter for the purposes of our audit.</p>	<p>contracting, monitoring and settling derivative financial instruments, to their classification, and to the preparation of supporting documentation and effectiveness tests, when applicable. In this context, controls tested included access policies, system management, approvals, confirmations with financial institutions and reconciliations with counterparties.</p> <p>Regarding the computation of the fair value of derivative financial instruments, in particular the models developed by the Company for this purpose, we evaluated their suitability and the suitability of the assumptions and data used by comparing observable data with information collected from external and independent sources, and we analyzed the contractual information. External confirmations of counterparties were also performed in order to validate open positions as of the date of the statement of financial position.</p> <p>The documentation prepared by the Company regarding the hedge accounting was evaluated and compliance with the requirements of IFRS 9 was verified.</p> <p>The adequacy of the accounting entries for each of the analyzed situations as well as the adequacy of the own use exemption provided in IFRS 9 for the use of commodities in the operational activity and related impacts on the consumption calculation were also verified.</p> <p>We have also reviewed the related disclosures presented in the financial statements.</p>

Responsibilities of management and supervisory board for the financial statements

Management is responsible for:

- a) the preparation of the financial statements, which present fairly the financial position, the financial performance and the cash flows of the Entity in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union;
- b) the preparation of the Directors' report, the corporate governance report, the non-financial statement and the remunerations report in accordance with the applicable law and regulations;
- c) the creation and maintenance of an appropriate system of internal control to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- d) the adoption of appropriate accounting policies and criteria; and
- e) the assessment of the Entity's ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Entity's ability to continue its activities.

The supervisory board is responsible for overseeing the process of preparation and disclosure of the Entity's financial information.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- a) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- e) evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- f) communicate with those charged with governance, including the supervisory board, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- g) of the matters we have communicated to those charged with governance, including the supervisory board, we determine which one's were the most important in the audit of the financial statements of the current year, these being the key audit matters. We describe these matters in our report, except when the law or regulation prohibits their public disclosure; and
- h) confirm to the supervisory board that we comply with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Our responsibility also includes verifying that the information included in the Directors' report is consistent with the financial statements and the verification set forth in paragraphs 4 and 5 of article No. 451 of the Portuguese Company Law on corporate governance matters and verifying that the non-financial statement and the remunerations report were presented.

Report on other legal and regulatory requirements

Directors' report

In compliance with paragraph 3 e) of article No. 451 of the Portuguese Company Law, it is our opinion that the Directors' report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the Directors' report is consistent with the audited financial statements and, taking into account the knowledge and assessment about the Entity, no material misstatements were identified.

Corporate governance report

In compliance with paragraph 4 of article No. 451 of the Portuguese Company Law, it is our understanding that the corporate governance report includes the information required under article No. 29-H of the Portuguese Securities Market Code, that no material misstatements were identified in the information disclosed in this report and that it complies with paragraphs 1 c), d), f), h), i) and l) of that article.

European Single Electronic Format (ESEF)

The Entity's financial statements for the year ended on December 31, 2022 must comply with the applicable requirements established in Commission Delegated Regulation (EU) 2019/815, of December 17, 2018 (ESEF Regulation).

The management is responsible for the preparation and disclosure of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the financial statements included in the annual report are presented in accordance with the requirements of the ESEF Regulation.

Our procedures took into account the OROC Technical Application Guide on ESEF reporting and included, among others to obtaining an understanding of the financial reporting process, including the annual report presentation in valid XHTML format.

In our opinion, the financial statements included in the annual report are presented, in all material respects, in accordance with the requirements of the ESEF Regulation.

Non-financial statement

In compliance with paragraph 6 of article No. 451 of the Portuguese Company Law, we hereby inform that the Entity included in its Directors' report the non-financial statement set forth in article No. 66-B of the Portuguese Company Law.

Remuneration's report

In compliance with paragraph 6 of article No. 26-G of the Portuguese Securities Market Code, we hereby inform that the Entity included in a separate section, in its Directors' report, the information set forth in paragraph 2 of that article.

Additional information required in article No. 10 of the Regulation (EU) 537/2014

In accordance with article No. 10 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014, and in addition to the key audit matters referred to above, we also provide the following information:

- a) We were first appointed auditors of the Entity in the Shareholders' General Meeting of April 5, 2018 for the period from 2018 to 2020, having remained in functions until the current period. Our last

appointment was in the Shareholders' General Meeting of April 14, 2021 for the period from 2021 to 2023.

b) The management has confirmed to us it has no knowledge of any allegation of fraud or suspicions of fraud with material effect in the financial statements. We have maintained professional scepticism throughout the audit and determined overall responses to address the risk of material misstatement due to fraud in the financial statements. Based on the work performed, we have not identified any material misstatement in the financial statements due to fraud.

c) We confirm that our audit opinion is consistent with the additional report that was prepared by us and issued to the Entity's supervisory board as of March 1, 2023.

d) We declare that we did not provide any prohibited non-audit services referred to in paragraph 1 of article No. 5 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014 and that we remain independent of the Entity in conducting our audit.

March 1, 2023

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

Signed on the original

João Rui Fernandes Ramos, ROC no 1333
Registered with the Portuguese Securities Market Commission under no 20160943



Independent Limited Assurance Report

(Free translation from the original in Portuguese. In the event of discrepancies, the Portuguese language version prevails)

To the Executive Board of Directors of
EDP – Energias de Portugal, S.A.

Introduction

We were engaged by the Executive Board of Directors of EDP - Energias de Portugal, S.A. (“EDP” or “Company”) to perform a reasonable assurance engagement on the indicators identified below in section “Responsibilities of the auditor”, and a limited assurance engagement on the indicators also identified in the aforementioned section that are part of the sustainability information included in the Integrated Annual Report 2022 (“Report”), for the year ended 31 December 2022, prepared by the Company for the purpose of communicating its annual sustainability performance.

Responsibilities of the Executive Board of Directors

It is the responsibility of the Executive Board of Directors to prepare the indicators identified below in section “Responsibilities of the auditor”, included in the Integrated Annual Report 2022, in accordance with the sustainability reporting guidelines “Global Reporting Initiative”, GRI Standards and Electric Utilities Supplement considering the AA1000AP Standard (2018) issued by AccountAbility, regarding the principles of inclusivity, materiality, responsiveness and impact; and with the instructions and criteria disclosed in the Report, as well as to maintain an appropriate internal control system that enables the adequate preparation of the mentioned information.

Responsibilities of the auditor

Our responsibility is to issue an assurance report, which is professional and independent, based on the procedures performed and specified in the paragraphs below.

Our work was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) “Assurance engagements other than audits or reviews of historical financial information”, issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants and we have fulfilled other technical standards and recommendations issued by the Institute of Statutory Auditors. These standards require that we plan and perform our work to obtain:

a) reasonable assurance as to whether the sustainability indicators

- 302-1 (Energy consumption within the organization);
- 305-1 (Direct Emissions of Greenhouse Gases (Scope 1));
- 305-2 (Indirect Greenhouse Gas Emissions (Scope 2)); and
- 305-7 (NOx, SOx and other significant atmospheric emissions).

prepared in accordance with the requirements of the GRI Standards guidelines and with the instructions and criteria disclosed in the Report and which are identified in the Annex “GRI Table” of

the Report as “External Guarantee - Reasonable”, indicated in Annex I of this report, are free from material misstatements.

b) limited assurance on whether the sustainability indicators identified in the Annex “GRI Table” of the Report as “External Guarantee – Limited”, are free from material misstatements.

It was also considered the AA1000 Assurance Standard (AA1000 AS v3), type 2 engagement, for obtaining a moderate level of assurance. Our limited assurance engagement also consisted in carrying out procedures with the objective of obtaining a limited level of assurance as to whether the Company applied, in the sustainability information included in the Integrated Annual Report 2022, the GRI Standards guidelines and the principles defined in the AA1000AP Standard (2018).

For this purpose the above mentioned work included:

- i) Inquiries to management and senior officials responsible for areas under analysis, with the purpose of understanding how the information system is structured and their awareness of issues included in the report;
- ii) Identification of the existence of internal management procedures leading to the implementation of economic, environmental and social policies;
- iii) Testing, on a sampling basis, the efficiency of processes and systems in place for collection, consolidation, validation and reporting of the performance information analysed, through calculations and validation of reported data;
- iv) Confirmation that operational units follow the instructions on collection, consolidation, validation and reporting of performance information;
- v) Execution of substantive procedures, on a sampling basis, in order to collect evidence of the reported information;
- vi) Comparison of financial and economic data included in the sustainability information with the data audited by PricewaterhouseCoopers & Associados, SROC, Lda, in the scope of the statutory audit of EDP’s consolidated financial statements for the year ended 31 December 2022;
- vii) Comparison of sustainability data from EDP Brasil included in the sustainability information with the data reported in the Annual Report 2022 from EDP Energias do Brasil S.A., verified by KPMG Financial Risk & Actuarial Services, Lda;
- viii) Analysis of the process for defining the materiality of the sustainability issues, based on the materiality principle of GRI Standards, according to methodology described by the Company in the Report;
- ix) Assessment of the level of adherence to the principles of inclusivity, materiality, responsiveness and impact set by AA1000AP Standard (2018), in the sustainability information disclosure, through the analysis of the contents of the Report and the internal documents of the Company; and
- x) Verification that the sustainability information included in the Report complies with the requirements of GRI Standards.

Additionally, we performed the following procedures for the purposes of reasonable assurance work:

- xi) Evaluating the risks and general controls of the information systems supporting human resources processes; and
- xii) Verification, by carrying out analytical and substantive review tests, and based on defined materiality criteria, the proper application of the reporting criteria.

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Matriculada na CRC sob o NIPC 506 628 762, Capital Social Europeu 314 000
Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 163 a na CMVM sob o nº 20161485.

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda. presta os seus serviços de auditoria e de consultoria em nome próprio e não em nome da PricewaterhouseCoopers (International) Limited, cujo nome não deve ser usado para qualquer outro propósito.

In performing the limited assurance, the procedures performed were more limited than those used in an engagement to obtain reasonable assurance and, therefore, less assurance was obtained than in a reasonable assurance engagement.

We believe that the procedures performed provide an acceptable basis for our conclusion.

Quality control and independence

We apply the International Standard on Quality Management 1 (ISQM 1), which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and of the ethics code of the Institute of Statutory Auditors.

Conclusion on reasonable assurance work

Based on the work performed, it is our opinion that the indicators identified above in section "Responsibilities of the auditor", included in the Integrated Annual Report 2022 - as "External Guarantee - Reasonable", for the year ended 31 December 2022, were prepared, in all material respects, in accordance with GRI Standards requirements and with the instructions and criteria disclosed in the Report.

Conclusion on limited assurance work

Based on the work performed, nothing has come to our attention that causes us to believe that the indicators identified above in section "Responsibilities of the auditor", included in the Integrated Annual Report 2022 - as "External Guarantee - Limited", for the year ended 31 December 2022, were not prepared, in all material respects, in accordance with GRI Standards requirements and with the instructions and criteria disclosed in the Report and that EDP has not applied, in the sustainability information included in the Report, the GRI Standards guidelines and the principles defined in the AA1000AP Standard (2018).

Other matters

Without affecting the conclusion above, we also present the following aspects regarding EDP's adherence to the principles of AA1000AP Standard (2018):

- Principle of inclusivity: EDP presents a consolidated process of stakeholders' consultation for the different business units and geographies where EDP Group operates, aligned with the corporate stakeholder management model. The implementation of the stakeholder management guide, as well as the development of the stakeholder management plan applicable to all the business units and geographies where the EDP Group operates, guarantees a better standardization of the process. Every year, EDP carries out specific initiatives related to certain groups of stakeholders, ensuring the inclusion and review of stakeholder expectations.
- Principle of materiality: EDP has defined a comprehensive process for the determination of material issues, which consolidates a view of the issues for a corporate and local levels (by

geography/business unit). The outputs from the identification of material issues reflect the main issues of the energy sector, of the geographies where the Group operates and of the main stakeholders. EDP ensures that the scope of the materiality process is extended to all geographies where the Group is present, allowing a greater harmonization between all business units, as well as determination of the materiality by stakeholder segment.

- Principle of responsiveness: EDP addresses the expectations of its main stakeholders by defining a set of goals and targets as reported in the Sustainability Report. EDP has been developing consolidated action plans by business unit to ensure a better alignment and communication of corporate commitments and objectives for the most relevant material issues.
- Principle of impact: EDP discloses the main impacts generated by its activity, through the response given in each material issue, in the different aspects of sustainability (economic, environmental and social dimensions). By respecting the reporting principles, EDP intends to create and disseminate a comprehensive and balanced understanding of the measurement and evaluation of the organization's impacts on its stakeholders and on the organization itself.

Restriction on use

This report is issued solely for information and use of the Executive Board of Directors of the Company for the purpose of communicating its annual sustainability performance in the Integrated Annual Report 2022 and should not be used for any other purpose. We will not assume any responsibility to third parties other than EDP by our work and the conclusions expressed in this report, which will be attached to the Company's Integrated Annual Report 2022.

March 1, 2023

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

Signed on the original

João Rui Fernandes Ramos, ROC no. 1333
Registered with the Portuguese Securities Market Commission under no. 20160943



Annex I
Environmental indicators (GRI)

2022	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
TOTAL ENERGY CONSUMPTION								
TJ		143 724	44 657	98 556	251	185	76	0
PRIMARY ENERGY CONSUMPTION								
TJ		132 818	36 284	96 349	169	10	6	0
Coal	TJ	62 435	0	62 359	76	n.a.	n.a.	n.a.
Fueloil	TJ	20	0	20	n.a.	n.a.	n.a.	n.a.
Natural Gas	TJ	61 961	36 182	25 777	0	2	1	0
Blast furnace gas	TJ	7 965	n.a.	7 965	n.a.	n.a.	n.a.	n.a.
Coke gas	TJ	0	n.a.	0	n.a.	n.a.	n.a.	n.a.
Diesel	TJ	217	1	204	13	n.a.	n.a.	n.a.
Steel gas	TJ	0	n.a.	0	n.a.	n.a.	n.a.	n.a.
Fleet fuel	TJ	219	101	24	80	7	5	0
ELECTRICITY CONSUMPTION								
Own production consumption	MWh	2 998 126	2 304 172	609 888	17 806	47 126	19 133	0
Administrative offices	MWh	33 275	21 837	3 159	6 512	1 654	113	0
Grid losses	%	8.2	8.3	4.8	9.5	n.a.	n.a.	n.a.
GHG EMISSIONS								
Direct emissions (scope 1)								
Stationary combustion ¹	ktCO _{2eq}	9 381	2 007	7 365	8	0	0	0
SF ₆ Emissions	ktCO _{2eq}	9	5.18	1.46	2.45	0.00	0.005	0.00
Car fleet	ktCO _{2eq}	16	8	2	5	1	0	0
Natural gas consumption	ktCO _{2eq}	0	0.00	0.00	0.00	0.12	0.05	0.00
Indirect Emissions (scope 2)²								
Electricity consumption in administrative buildings	ktCO _{2eq}	1.39	0.0	0.0	0.0	1.35	0.04	0.0
Electricity losses in distribution	ktCO _{2eq}	443	358	0	85	0	0	0
Renewable central self consumption	ktCO _{2eq}	25	0.0	0.0	0.0	17.2	7.8	0.0
TOTAL AIR EMISSIONS								
CO ₂ ^{1,3}	kt	9 381	2 007	7 365	8	n.a.	n.a.	n.a.
NO _x	kt	4.8	0.7	4.1	0	n.a.	n.a.	n.a.
SO ₂	kt	2.3	0.0	2.3	0	n.a.	n.a.	n.a.
Particles	kt	0.23	0.01	0.22	0	n.a.	n.a.	n.a.
Mercury	kg	37	0	37	0	n.a.	n.a.	n.a.
SF ₆	kg	389	220	62	104	0	2	0

¹ Stationary emissions do not now include those resulting from the burning of steel gases by ArcelorMittal at EDP plants in Spain.² Calculation according to the "location based" methodology of the GHG Protocol. ³ Includes stationary combustion emissions only.

Organizational boundaries

The calculation of CO_{2eq} emissions is consolidated using the operational control approach. The inventory applies to activities arising from work at the EDP Group - Energias de Portugal, S.A. and its subsidiaries.

- EDP Brasil
- EDP Comercial
- EDP España
- EDP Espírito Santo
- EDP Global Solutions
- EDP Produção
- EDP Renováveis
- EDP São Paulo
- Energest
- Enerpeixe
- E-redes
- Redes Espanha
- Investco
- Labeloc
- Porto de Pecém
- EDP Portugal

Operational boundaries

The following scopes were considered:

- Direct emissions (scope 1): emissions resulting from sources owned or controlled by the organization:
 - Mobile combustion: emissions from fuel consumption in the vehicle fleet (combustion engines);
 - Stationary combustion: emissions from fuel combustion in thermoelectric power stations and administrative buildings;
 - Fugitive emissions: SF₆ leaks in production and distribution and refrigerant gases from air conditioning systems.
- Indirect emissions (scope 2): Indirect emissions arising from the production of electricity, steam or heat/cooling consumed, acquired or purchased by the organization:
 - Losses in the transmission and distribution networks, in the part not produced by EDP;
 - Electricity consumption in administrative buildings, as long as it is provided by third parties;
 - Self-consumption of electricity in renewable energy plants, provided that it is provided by third parties.



Independent Reasonable Assurance Report on the Internal Control System related to the Financial Reporting of EDP Group

(Free translation from the original in Portuguese. In the event of discrepancies, the Portuguese language version prevails)

To the Executive Board of Directors of
EDP – Energias de Portugal, S.A.

Introduction

We were engaged by the Executive Board of Directors of EDP – Energias de Portugal, S.A. (“EDP” or “the Company”) to perform a reasonable assurance engagement on the internal control system over the consolidated financial reporting (“SCIRF”) of the Company and its subsidiaries, for the financial year that ended 31 December 2022, implemented based on the criteria established in the internal control framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO 2013”) in relation to business processes and global controls, and by the Control Objectives for Information and related Technologies (“COBIT”) in relation to information technology general controls.

Executive Board of Directors' Responsibilities

It is the responsibility of the Executive Board of Directors, the implementation and maintenance of an appropriate internal control system that enables the preparation of consolidated financial statements free of material misstatement due to fraud or error.

Auditor's Responsibilities

Our responsibility consists in issuing a reasonable assurance report, professional and independent, based on the procedures performed and stated in the paragraphs below, on the effectiveness of the internal control system over EDP Group's consolidated financial reporting.

Our procedures were conducted, with reference to the financial year that ended on the 31st of December 2022, in order to obtain a reasonable degree of assurance over the effectiveness of the internal control system implemented by the Company's Executive Board of Directors, to ensure that the consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) and present fairly and appropriately the financial position of the EDP Group, its financial performance and its consolidated cash flows, as well as the use of appropriate accounting policies and criteria. The internal control system also includes policies and procedures established by the Company's Executive Board of Directors that guarantee, with reasonable assurance:

- i) an adequate maintenance of records which reliably reflect, and in reasonable detail, the acquisitions and disposals of assets of EDP Group;

- ii) that transactions are recorded in order to allow the preparation of consolidated financial statements in accordance with the applicable accounting standards;

- iii) that receipts are fully recorded and that payments made by EDP Group are made only with the authorization of the members of the Executive Board of Directors and Directors of EDP, or Directors and Management of EDP subsidiaries, and

- iv) the prevention or timely detection of unauthorized acquisitions or disposals or the inappropriate use of assets of EDP Group which may have a material effect on the consolidated financial statements.

The work performed was conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (revised) “Reliability Assurance Engagements that Are Not Audits or Reviews of Historical Financial Information”, issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants and with the additional standards and technical guidance issued by the Institute of Statutory Auditors (“Ordem dos Revisores Oficiais de Contas – OROC”). These Standards require that we plan and perform the assurance engagement to obtain reasonable assurance on whether the internal control system, implemented based on “COSO 2013” and “COBIT”, allows the consolidated financial reporting (“SCIRF”) to be prepared free from material misstatement. For this purpose, the above mentioned work consisted of:

- i) obtaining an understanding of the internal control system over EDP Group's consolidated financial reporting;
- ii) assessing the risk of existence of material deficiencies in the internal control system over the consolidated financial reporting, based on the criteria of “COSO 2013” and “COBIT”;
- iii) carrying out tests related to the design, effectiveness and operation of controls based on the risk assessment performed; and
- iv) carrying out other procedures which we considered necessary under the circumstances.

We believe that the procedures performed provide a reasonable basis for our conclusion.

Quality control and independence

We apply the International Standard Quality Control 1 (ISQC1) and, accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the independence and ethical requirements of the International Ethics Standards Board for Accountants (IESBA Code) and of the ethics code of the Institute of Statutory Auditors.

Conclusion

Based on the work performed, it is our opinion that EDP Group maintained, in all relevant material aspects, an internal control system adequate and effective related to its consolidated financial

reporting ("SCIRF"), for the financial year ended 31 December 2022, and in accordance with the criteria established in the internal control framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO 2013") in relation to business processes and global controls, and by the Control Objectives for Information and related Technologies ("COBIT") in relation to information technology general controls.

Other matters

- i) On 1 March 2023 we issued the audit report on the consolidated financial statements of EDP Group with reference to the financial year ended 31 December 2022, in which we expressed an unqualified opinion;
- ii) Due to the inherent limitations to any internal control system, there is a possibility that the internal control system over the consolidated financial reporting does not prevent or detect errors or irregularities that may arise, either due to collusion, errors in judgment, human error, fraud, or malpractice. Additionally, projections over the evaluation of the effectiveness of the internal control system related to the consolidated financial reporting, applicable to future periods, are subject to the risk that controls may become inadequate due to changes in conditions of business or operation of EDP Group, or that the degree of compliance with the policies and procedures may deteriorate.

Restriction on distribution and use

This report is solely issued under the agreed terms described in the 1st paragraph above and should not be used for any other purposes without our explicit consent.

1 March 2023



PricewaterhouseCoopers & Associados
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represented by:

Signed on the original

Rui Fernandes Ramos, ROC no. 1333
Registered with the Portuguese Securities Market Commission under no. 20160943

Annex 9 – Report on the allocation and impact of green finance

Sustainable financing

Alignment with the SDG	Objectives	KPIs 2022	Target 2025
 	Sustainable financing	44%	50%

In the end of 2022, sustainable finance amounted to €12.4 billion: (1) €8.7 billion in green bonds; and (2) and €3.7 billion in sustainability-linked loans, which represented 44% of the nominal debt. EDP has a target to have 50% of its funding from sustainable sources by 2025. Our Green Bonds and sustainability-linked loan have promoted a greater alignment of the company’s financial policy with our sustainability strategy, while increasing market awareness for this topic. EDP’s sustainable financing has contributed heavily towards UN Sustainable Development Goal SDG 7: affordable and clean energy and SDG 13: climate action.

Green bonds

Green Bonds
Issued over the period
2018–2022

€8.7B

As part of EDP’s strategy and to promote greater alignment of its financial policy with its sustainability strategy, in October 2018, the group (through EDP Finance BV) issued its first green bond, amounting to €600 million (senior debt). Since then, and until the end of 2022, EDP has issued approximately €8.7 billion in green bonds: seven senior debt issuances, two of which in US dollars, and five subordinated debt issuances (hybrid).

In March 2022, EDP published a new Green Finance Framework. It includes the green financing instruments (for example, green bonds or green loans) issued by EDP, EDP finance BV and EDP Renováveis and its subsidiaries

EDP’s Green Finance Framework

EDP published a new Green Finance Framework in March 2022

and project companies to finance or refinance wind (onshore and offshore) and solar (PV and CSP) eligible assets and projects. These assets and projects will be included in the portfolio at the current IFRS balance sheet value. Eligible Green Assets will also include acquisitions of companies and equity participations in entities substantially active in wind and solar activities.

EDP’s green finance framework is aligned with the International Capital Market Association’s (ICMA) Green Bond Principles 2021, the Loan Market Association’s (LMA) Green Loan Principles 2021 (GLP). The eligible assets and projects financed and refinanced will contribute towards the climate change mitigation objective of the EU Taxonomy. The framework is supported by a second-party review (SPO) from Sustainalytics.

This report is part of the commitment to report on an annual and portfolio basis to investors on how the funding was allocated. The data presented here is externally verified. The details about the several issuances and the information included in this report is also available at EDP’s website (under the fixed income section).

EDP’s Green Finance Framework SPO

Sustainalytics is the opinion that the Framework’s two eligible activities fully align with the applicable Technical Screening Criteria in the EU Taxonomy and align with the Do No Significant Harm Criteria (fully for three and partially for climate change adaptation). The Framework is compliant with the EU Taxonomy’s Minimum Safeguards.

The approximately €8.7 billion issued in green bonds between 2018 and 2022 were fully allocated by 31 December 2022, with 2.9 billion euros being allocated to new projects wind and solar that came into operation between 2018 and 2022, 5.0 billion euros being allocated to existing projects and 0.8 billion to equity participations and acquisitions. It should be noted that the amount of green funding allocated to new projects corresponds to wind and solar farms that have begun operating at the year of the date of issuance of the respective green bonds. All EDP green issuances are aligned with EDP’s sustainability strategy, as part of EDP’s Strategic Agenda and Business Plan 2021–2025, with the proceeds being used to support its objectives to increase renewable capacity (90% by 2025 and 100% by 2030), and to reduce our scope 1 and 2 specific emissions by 70% by 2025 and 98% by 2030, approved by SBTi in 2021. These targets are aligned with a 1.5°C decarbonization trajectory. Recently, in January 2022, EDP has submitted new targets to the SBTi, currently under validation, in line with the new net-zero standard.

The impact of the portfolio was 10.8GW of renewable energy capacity, 24.8 TWh of annual renewable energy production and the avoidance of 15.0 MtCO₂ of emissions. These impact metrics are consolidated at a portfolio level and not reported at a bond level. It should be noted that, since 2022, following the publication of our 2022 Green Finance Framework, green proceeds can be allocated to acquisitions of companies and equity participations in entities substantially active in wind and solar, which do not have impact KPIs associated, namely installed capacity (MW), production (GWh) and GHG emissions avoided (tCO₂).

In terms of geographical split, 65% of the projects financed with green proceeds are in the United States (49%) and Spain (16%). A minority of projects is in the United Kingdom (7%), Romania (6%), Poland (5%), Portugal (5%), Brazil (4%), France (3%), Italy (3%), and Mexico (2%). With negligible weight are projects in the geographies of Greece, Belgium, Canada and Vietnam.

The following paragraphs report relevant information for investors on the application of EDP group's green bond funds and on the environmental benefits resulting from them.

GREEN BONDS ISSUANCES' CHARACTERISTICS	PRE-ISSUANCE		POST-ISSUANCE		
	REFERENCE PRINCIPLES	SECOND-PARTY OPINION	MONITORIZATION	GREEN BONDS FUNDS	EXTERNAL VERIFICATION
	GREEN BOND PRINCIPLES (ICMA 2021)	SUSTAINALYTICS	REGISTER ON THE DATABASE OF THE CLIMATE BOND INITIATIVE (CBI)	>200*	PwC
Use of resources (eligibility criteria)	Investments (in new projects or re-financing of existing projects) in renewable energy (wind and solar).				
Evaluation and selection of projects	Compliance with the objectives of EDP's environmental and social policies, supported by a screening of ESG aspects.				
Management of the funds obtained	The net balance of the funds obtained through the emission of green bonds follows a portfolio approach. The resources shall be used to (re-)finance eligible green projects (wind and solar). Eligible green assets will also include acquisitions of companies and equity participations in entities substantially active in wind and solar. Until the net balance of the funds obtained from green bonds emissions has been fully assigned, EDP will invest the unassigned funds to the portfolio of eligible projects, in treasury liquidity or in the repayment/purchasing of existing debt, according to its own criteria. Net proceeds are expected to be fully allocated within 24 months from the issue date.				
Report on the application of the funds obtained	The report is made based on the following indicators: portfolio value of eligible projects net balance of unused resources quantity and percentage of new projects and existing projects				
Report on the impacts of the funds obtained	The report is made based on the following indicators: Installed capacity (MW) CO ₂ Emissions avoided (tCO ₂) Generation of renewable energy (MWh) Note: The CO ₂ emissions avoided correspond to the emissions that would have occurred if the electricity generated by renewable sources had been produced by thermal power stations. For each country, this is obtained by multiplying the net renewable generation by the emission factor for thermally generated electricity in the country.				

*Bloomberg (January 2023)

Use of proceeds for eligible green projects

Portfolio date: December 2022

ELIGIBLE SUSTAINABILITY PROJECT PORTFOLIO	AMOUNT (€)	ALLOCATION OF GREEN FUNDING (2022)	AMOUNT (€)
EXISTING PROJECTS ALLOCATED (~ 2022)		ALLOCATED TO GREEN BONDS	8,715,704,107
Renewable energy			
Wind	4,829,699,800		
Solar	173,527,631		
NEW PROJECTS ALLOCATED (2018–2022)			
Renewable energy			
Wind	2,606,838,976		
Solar	243,691,386		
EQUITY PARTICIPATIONS AND ACQUISITIONS			
Renewable energy			
Wind	861,946,313		
Solar	-		
PROJECTS TO ALLOCATE	1,807,799,594	UNALLOCATED AMOUNT OF ELEGIBLE PROJECT PORTFOLIO	1,807,799,594
Total eligible sustainability project portfolio	10,523,503,700	Maximum sustainability funding	10,523,503,700
Percentage of eligible green project portfolio allocated to net proceeds of green funding	82.8%		
Percentage of net proceeds of green bond allocated to eligible green project portfolio	100%		

Portfolio based green bond report according to the harmonized framework for impact reporting

Portfolio date: December 2022

ELIGIBLE PROJECT CATEGORY GREEN LOAN PRINCIPLES (GLP) GREEN BOND PRINCIPLES (GBP)	SIGNED AMOUNT	SHARE OF TOTAL PORTFOLIO FINANCING	ELIGIBILITY FOR GREEN INSTRUMENT	ALLOCATED AMOUNT	INSTALLED CAPACITY OF RENEWABLE ENERGY IN MW	ANNUAL NET PRODUCTION OF RENEWABLE ENERGY (GWH)	CO2 EMISSIONS AVOIDED (TCO2)
a/ b/ EUR	c/ d/ e/						
Renewable energy	10,523,503,700	100%	100%	8,715,704,107	10,779	24,798	15,015,688
Total	10,523,503,700	100%	100%	8,715,704,107	10,779	24,798	15,015,688

a/ Eligible Category

b/ Signed amount represents the amount legally committed by the issuer for the portfolio or portfolio components eligible for Green financing

c/ This is the share of the total portfolio cost that is financed by the issuer

d/ This is the share of the total portfolio cost that is Green Bond/Loan eligible

e/ Impact indicators

Portfolio based green bond report according to the harmonized framework for impact reporting – indicators all issued green bonds

Portfolio date: December 2022

BOND OUTSTANDING	ALLOCATED AMOUNT (MILLION EUR)	NUMBER OF PROJECTS (#)	GEOGRAPHY SPLIT (%)	TECHNOLOGY SPLIT (%)	INSTALLED CAPACITY OF RENEWABLE ENERGY IN MW	ANNUAL NET PRODUCTION OF RENEWABLE ENERGY (GWh)	CO ₂ EMISSIONS AVOIDED (TCO ₂)
Green Bond 9. Oct.2018	600	35	Europe LATAM APAC NA	52% 0% 0% 47%	Wind Solar	100% 0%	877 2,194 1,131,387
Green Hybrid 23. Jan.2019	1,000	28	Europe LATAM APAC NA	18% 2% 0% 80%	Wind Solar	87% 13%	1,106 3,501 2,369,119
Green Bond 10. Sep.2019	600	18	Europe LATAM APAC NA	56% 3% 0% 41%	Wind Solar	100% 0%	588 1,518 806,625
Green Hybrid 20. Jan.2020	750	15	Europe LATAM APAC NA	47% 2% 0% 52%	Wind Solar	100% 0%	802 1,891 1,003,471
Green Bond 15. Apr.2020	750	19	Europe LATAM APAC NA	36% 0% 0% 64%	Wind Solar	100% 0%	835 2,377 1,840,158
Green USD Bond 24. Sep.2020	797	9	Europe LATAM APAC NA	1% 1% 0% 99%	Wind Solar	86% 14%	999 2,207 1,415,125
Green Hybrid 02. Feb.2021	750	50	Europe LATAM APAC NA	63% 10% 0% 27%	Wind Solar	90% 10%	941 2,435 1,340,218
Green Hybrid NC5 14. Sep.2021	750	38	Europe LATAM APAC NA	100% 0% 0% 0%	Wind Solar	100% 0%	857 1,955 842,447
Green Hybrid NC8 14. Sep.2021	500	19	Europe LATAM APAC NA	67% 10% 0% 24%	Wind Solar	90% 10%	552 1,369 599,951

BOND OUTSTANDING	ALLOCATED AMOUNT (MILLION EUR)	NUMBER OF PROJECTS (#)	GEOGRAPHY SPLIT (%)	TECHNOLOGY SPLIT (%)	INSTALLED CAPACITY OF RENEWABLE ENERGY IN MW	ANNUAL NET PRODUCTION OF RENEWABLE ENERGY (GWh)	CO ₂ EMISSIONS AVOIDED (TCO ₂)
Green Bond 14 Mar. 2022	1,250	13	Europe LATAM APAC NA	50% 4% 2% 44%	Wind Solar	98% 2%	839 1,644 1266,187
Green USD Bond 03 Oct. 2022	469	4	Europe LATAM APAC NA	0% 0% 0% 100%	Wind Solar	100% 0%	277 726 591,523
Green Bond 04 Oct. 2022	500	21	Europe LATAM APAC NA	56% 27% 0% 18%	Wind Solar	95% 5%	612 365 213,021
Total	8,716	269	-	-	-	-	9,286 22,183 13,401,231

Portfolio based green bond report according to the harmonized framework for impact reporting – indicators for some allocated projects for all issued green bonds

Portfolio date: December 2022

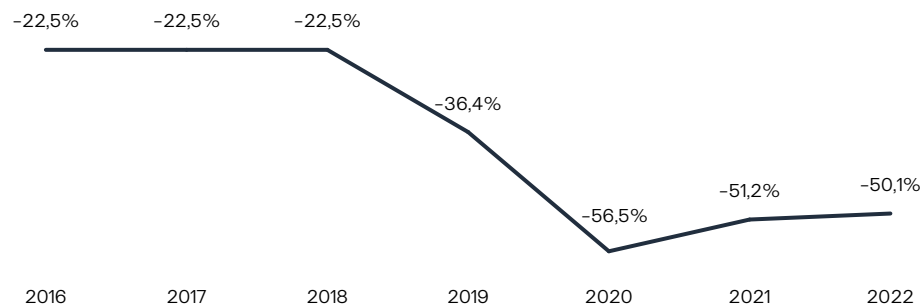
BOND OUTSTANDING	PROJECT NAME	COUNTRY	REGION	TECHNOLOGY	INSTALLED CAPACITY OF RENEWABLE ENERGY (MW)	ANNUAL NET PRODUCTION OF RENEWABLE ENERGY (GWh)	GHG EMISSIONS AVOIDED (TCO ₂ e)
Green Bond 9. Oct. 2018	Champagne Berrichonne	France	Europe	Wind	10	25	10,890
Green Hybrid 23. Jan. 2019	Aroeira	Brazil	LATAM	Wind	17	46	9,930
Green Bond 10. Sep. 2019	Facaeni	Romenia	Europe	Wind	132	383	218,375
Green Hybrid 20. Jan. 2020	Korsze	Poland	Europe	Wind	36	92	87,060
Green Bond 15. Apr. 2020	South Branch	Canada	NA	Wind	15	38	22,366
Green USD Bond 24. Sep. 2020	Los Cuervos	Mexico	NA	Solar	200	151	88,399
Green Hybrid 02. Feb. 2021	Coentral-Safra	Portugal	Europe	Wind	21	54	22,000
Green Hybrid NC5 14. Sep. 2021	Cerro Durán	Spain	Europe	Wind	38	84	35,379
Green Hybrid NC8 14. Sep. 2021	Pereira Barreto II	Brazil	LATAM	Solar	42	96	20,718
Green Bond 14 Mar. 2022	Headwaters II	USA	NA	Wind	198	616	503,253
Green USD Bond 03 Oct. 2022	Meadow Lake I	USA	NA	Wind	200	462	377,081
Green Bond 04 Oct. 2022	Craco	Italy	Europe	Wind	35	15	9,162

Sustainability – linked loan

The year of 2022 was marked by EDP's first sustainability-linked Revolving Credit Facility (RCF) of €3.7 billion, aligned with the Sustainability-linked Loan Principles from the Loan Market Association. EDP is at the front of the energy transition with ambitious commitments to achieve 100% renewables generation by 2030, and to become coal free by 2025 and carbon neutral by 2030. The KPIs are presented below. They are included in EDP's executive board of directors' remuneration scheme.

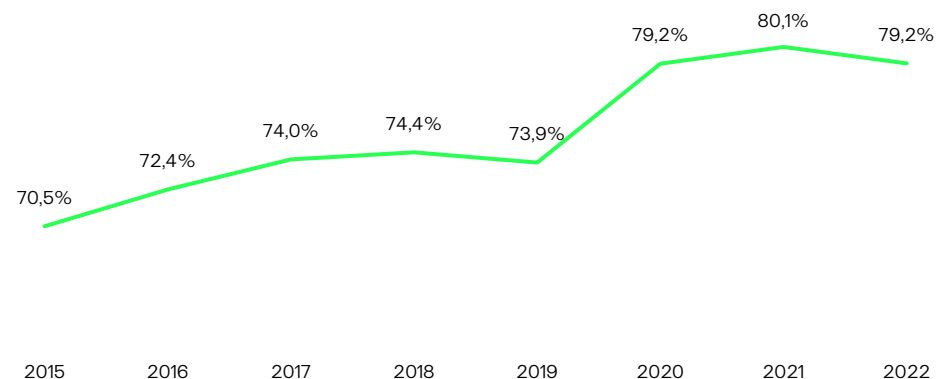
- KPI #1:** Percentage reduction of total Scope 1 and 2 GHG emissions per TWh produced by the group compared the 2015 emissions. Targets are aligned with 2025 public commitment to reduce by 70% and 2030 target to reduce by 98% by 2030, approved by SBTi with a decarbonisation path of 1.5°C. Scope 1 and 2 GHG emissions increased in 2022 by 2,2% compared to 2021, which corresponds a reduction of 56% against the 2015 emissions.

EMISSIONS INTENSITY (SCOPE 1+2) REDUCTION (%)



- KPI #2:** Percentage of the group's installed capacity which is of renewable origin. Targets are in line with public commitment to achieve 90% by 2025 and 100% by 2030. In the end of 2022, the renewable capacity was 79%, which corresponds to a decrease of 1% compared to 2021.

RENEWABLE INSTALLED CAPACITY (%)



Auditor's statement – green finance report



Independent Limited Assurance Report
(Free translation from the original in Portuguese. In the event of discrepancies, the Portuguese language version prevails)

To the Executive Board of Directors of
EDP – Energias de Portugal, S.A.

Introduction

We were engaged by the Executive Board of Directors of EDP - Energias de Portugal, S.A. ("EDP" or "Company") to perform a limited assurance engagement on the information included in the Report on the Allocation and Impact of Green Bonds ("Green Bonds Report") that is integrated in the Annual Integrated Report 2022, for the year ended 31 December 2022, prepared by the Company for the purpose of disclosing its annual sustainability performance.

Responsibilities of the Executive Board of Directors

It is the responsibility of the Executive Board of Directors to prepare the Green Bonds Report, included in the Annual Integrated Report 2022, in accordance with the EDP Green Bond Framework ("Framework"), as well as to maintain an appropriate internal control system that enables the adequate preparation of the mentioned information.

Responsibilities of the auditor

Our responsibility is to issue a limited assurance report, which is professional and independent, based on the procedures performed and specified in the paragraph below.

Our work was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance engagements other than audits or reviews of historical financial information", issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants and we have fulfilled other technical standards and recommendations issued by the Institute of Statutory Auditors. These standards require that we plan and perform our work to obtain limited assurance about whether the information included in the Green Bonds Report that is integrated in the Annual Integrated Report 2022, is free from material misstatement.

For this purpose the above mentioned work included:

- i) Meetings with EDP's personnel from various departments who have been involved in the preparation of the Green Bonds Report in order to understand the characteristics of the (re)financed projects, the internal management procedures and systems in place, the data collection process and the environment control;
- ii) Verification of the application of the eligibility criteria, described in the Framework, for the selection of projects (re)financed by the Green Bonds;
- iii) Analysis of the procedures used for obtaining the information and data presented in the Green Bonds Report;
- iv) Verification through random sampling and substantive testing of the information included in Green Bonds Report and whether they were also appropriately compiled from the data provided by EDP's sources of information; and

- v) Validation that information disclosed is in accordance with the reporting requirements established in the Framework.

The procedures performed were more limited than those used in an engagement to obtain reasonable assurance and, therefore, less assurance was obtained than in a reasonable assurance engagement.

We believe that the procedures performed provide an acceptable basis for our conclusion

Quality control and independence

We apply the International Standard on Quality Management Standard 1 (ISQM 1), which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and of the ethics code of the Institute of Statutory Auditors.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the information included in the Green Bond Report that is integrated in the Annual Integrated Report 2022, was not prepared, in all material respects, in accordance with the reporting criteria disclosed in the Green Bond Report and in the EDP Green Bond Framework.

Restriction on use

This report is issued solely for information and use of the Executive Board of Directors of the Company for the purpose of reporting on green bonds performance and activities and should not be used for any other purpose. We will not assume any responsibility to third parties other than EDP by our work and the conclusions expressed in this report, which will be attached to the Company's Annual Integrated Report 2022.

March 1, 2023

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda
represented by:

Signed on the original

João Rui Fernandes Ramos, R.O.C. nº 1333
Registered in GMVM with the nº 20160943

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Matriculada na CRC sob o NIPC 506 628 752, Capital Social Euros 314 000
Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 183 e, na CMVM sob o nº 20161455

PricewaterhouseCoopers é uma associação - Sociedade de Revisores Oficiais de Contas - Lda, pertencendo todos os membros que integram o Conselho de Administração da PricewaterhouseCoopers International Limited, sendo esta, em todos os casos, uma entidade legal autónoma e independente.

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